The China Weekly REVIEW

密勒氏評論報

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The Dismemberment of China . . . . . By T. A. Bisson

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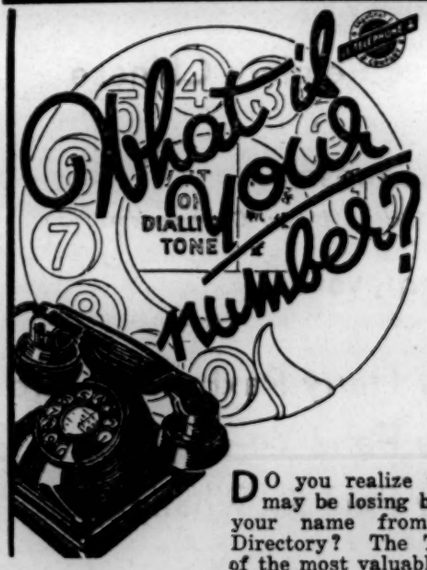

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THE NEW RICSHA REGULATIONS IN SHANGHAI

AS a result of new ricsha regulations imposed by the Shanghai Municipal Council since the first of September, public ricshas now bear a plate stipulating the rates of fare, either by distance or by time. For practical purposes, however, the great mass of those who ride in ricshas, who are naturally Chinese, do just as they have always done. They pay no attention to the official rates of fare and bargain privately as to the amount of fare to be paid to the named destination. That is an ingrained Chinese custom, and no mere Municipal regulation is going to stop it. The ricsha coolies quite understand that fact and will make no attempt to collect the official fares from their Chinese customers. Prospective Chinese customers sometimes walk half the distance to their destination while they argue the matter of fare with the coolie. It is a custom which will continue till ricshas disappear—a consummation that is not likely to be arrived at within the course of the present generation. Human beings are so plentiful in China that they will continue to compete with animals and gasolene in propelling wheeled vehicles. The ricsha coolie still survives to a large extent even in Japan, where the *intelligentsia* feels keenly the humiliation that Japan is still one of the countries where human beings do the work which is assigned to animals in most other countries. In Tokyo itself the number of ricshas has greatly decreased owing to the plentifulness and cheapness of cruising taxis. But throughout the smaller cities of Japan the ricsha still remains an important means of communication. And so they will remain to be in Shanghai and many other cities in China for many years to come. Whether the other aims which the Municipal Council had in view in its laudable object of protecting the ricsha coolie from exploitation will in the end bear any better fruit than in the matter of regulating fares remains to be seen. But it is not out of place to mention that in these days when the authorities of the Foreign Settlement venture into the realm of regulating the relations between labor and capital, in fields where both parties are mostly Chinese, they are treading on dangerous ground. This fact was demonstrated some years back when

the Municipality tried to enforce labor regulations in the local manufacturing establishments—an attempt which ended in flat failure. It was, indeed, little short of a miracle that there were not more disturbances than there were in connection with the introduction of the new ricsha regulations—and if the Foreign Municipality is lucky enough to escape any further troubles in this connection we would suggest that they do not tempt Providence any further and, in case they in future feel an urge for instituting reforms that they concentrate their energies in some other direction and leave the ricsha situation in *statu quo*.

EVENTS, PAST AND PRESENT, IN THE PHILIPPINE ISLANDS

ONE of the effects of the impending independence of the Philippine Islands is to bring them much more into the world's news than they were during the past three decades of American overlordship. Thirty years ago the Philippines were notorious in the annals of China because of the large number of Americans who had sought refuge here after having got into trouble of some sort during the early days of American occupation of the Islands, either because they had embezzled money, or seduced a Filipino woman, or committed a robbery, or even a murder. The days for that sort of thing have long since passed and Americans in the Philippine islands, either in the government service or in business, enjoy a better reputation than the average in the United States itself. In the intervening years it was only occasionally that the Philippines broke into the world's news. That was the case, for example, when in the year 1909 the Payne Act was passed providing for free trade between the United States and the Philippines. Various exceptions to full complete free trade were removed by the Underwood tariff law four years later. That the United States should discriminate against other countries, or in other words "close the door" in the Philippines, while at the same time expounding the idea of the "Open Door" in the neighboring country of China has at times been the subject of sarcastic international comment, which would undoubtedly have furnished excellent capital for the Japanese had they not been estopped from making use of it by the fact that they were following the same policy in the island of Formosa, which they had taken from the Chinese, as the Americans were in the Philippine Islands, which they had taken from the Spanish. Then, at various times, the Philippines broke into the news in connection with the sugar trade. The net effect of the free trade between the United States has been to give Philippine sugar an enormous fillip. With a tariff wall of something like two cents a pound opened in favor of the Philippines, the Islands had been presented with a market for their principal product which they could not find anywhere else. It is this fact that has led to a strong movement in the Philippine Islands to try and secure a continuance of free trade with the United States even after independence has been secured—a consummation that is not likely to be achieved, for it is to be remembered that one of the main arguments used in favor of "getting rid of" the Philippines during the past year or two was to get Filipino competition off the American market. More recently the news from the Philippines has been tinged with a strong Japanese or Chinese angle. It has frequently been predicted that one of the results of freedom for the Philippines will be that the political destinies of the Islands will be controlled by the Japanese and that its business will be almost entirely in the hands of the Chinese—as it is, to a large extent, already. The Japanese are firmly entrenching themselves, not militarily for the present, but economically, in the island of Mindanao, where their presence has already become one of the major problems of Islands administration. The Chinese, naturally, are hoping that one of the results of freedom for the Philippines will be the end of their exclusion from the islands—a measure which the American administration almost from the beginning invoked with the benevolent object of protecting the Filipinos. Two items of news from the Philippines during the past week with a strong Chinese tinge were the following.—(1) The newly appointed Chinese Consul General at Manila is reported to have distributed visiting cards in which he described himself as "Minister Plenipotentiary;" (2) the Chinese Consul General is also reported to have requested the deportation of a prominent Chinese resident from the Islands in connection with something he is supposed to have done in Amoy. Just what action the Philippine authorities have taken or will take in this connection has not yet transpired, but the incident, it is intimated, may lead to a thorough investigation of the circumstances under which so many Chinese from the Amoy district are to be found in the Philippine Islands, despite the fact that, according to the immigration laws, they are supposed to be excluded.

JAPANESE ENGINEERS AT THE KIANGNAN DOCK

SEVENTEEN Japanese engineers are now busily at work at the Kiangnan Dock supervising the construction of China's newest cruiser, *Ping Hai*. They arrived from Japan August 30, just at the time when prominent Chinese newspapers both in Shanghai and in Peiping were discussing at length the relative values of the education which is being imparted in the various educational institutions throughout China. Some of the Chinese newspapers expressed the opinion that there were already too many technical graduates in China, as hundreds of them had not been able to find jobs. The employment of such a large number of Japanese technical men at this time in a Chinese government institution naturally evokes the query as to whether the capabilities of the Chinese engineers who have been trained both in China and abroad are so much below par that their own government has not seen fit to employ them for a job which patriotic consideration alone, one should imagine, would indicate the employment of Chinese engineers. Of course, there may be other considerations.

Japanese Make Proposal to Soviets That Both Sides Withdraw Troops from "Danger Points"

DESPITE the evident tension that exists in the relations between Soviet Russia and Japan, European opinion generally persists that there is no immediate danger of war breaking out between the two countries. Both of them, it may be stated, will be held back by the repercussions that such a conflict may have within their own borders and, curiously enough, from exactly opposite points of view. What the Japanese have to fear is that the strain which a war would bring on the country might result in the establishment of a Soviet form of government. On the other hand what the Soviet leaders fear is that an eventual result of a war might be the overthrow of the Soviet form of government, and its transformation into something very much resembling representative government such as is to be found, say in America, France or England. Just at the moment, what both sides are most anxious about is to fix up their international political fences. The favorite method of the Russians is to sign non-aggression pacts. The Soviets have at various times proposed such a pact to the Japanese but the latter have not seen fit to accept the idea. In the meantime the Japanese are fishing around for allies, just as they did in the days of Prince (then Marquis) Ito. At that time the result was an alliance with Great Britain and there are some indications that it may be renewed as soon as convenient after the Japanese have denounced the Washington conference—one of the objects of which, as it was described at the time, was to bury the Anglo-Japanese alliance. Japan made a proposition to the United States several months ago that they should come to an arrangement which practically amounted to a plan to divide up the Pacific between them. The United States was not willing to commit itself, so the Japanese quest is being directed to other quarters. The question might be asked: Why should the Japanese want allies when they showed at Geneva that they intended to work quite independently and on their own initiative? The answer is quite simple. The point then at issue was whether the Japanese would stay in Manchuria. They were quite determined that they would stay, pacts or conferences to the contrary notwithstanding. Having now gained their point on this issue, they are naturally doing everything they can to have the world recognize their protégé, and to this end they are bringing extreme pressure on China. But such pressure cannot be brought on the whole world simultaneously, and the Japanese are, therefore, quite naturally, attacking the problem piecemeal—so the idea of securing an ally is the logical thing for them to pin their faith to at the present time. What the eventual result will be remains to be seen, but it would not be an impossibility—if in the end the Japanese do not find a suitable partner elsewhere—for them to accept the Russian offer of a non-aggression pact, and possibly extend the idea into something even stronger. Such a possibility might become a real probability in case any outside power should attempt to reap any advantage from the present Soviet-Japanese squabble. Such a contingency has a very apt precedent. It will be recalled that in 1910 when the then U. S. Secretary of State, Philander Knox, supported the Harriman scheme to neutralize the Chinese Eastern Railway, both the Russian and the Japanese Governments showed their resentment towards such an attempt from outside to profit from their differences, and in a very characteristic manner. The net result of the Knox proposal (to build the Chinchow-Aigun Railway, which would have competed with both the C. E. R. and S. M. R.) was to bring the Japanese and Russians together—and it was probably more by design than accident that the agreement between them was signed on July 4, America's independence day. The July 4 (1910) agreement provided for the maintenance of the *status quo* in Manchuria and for co-operation in the development of their railroads therein.

That agreement was made, it is true, in Czarst days, and it might be argued that such a thing could not happen with Soviet Russia as one of the parties. But, however much the present Russian Government differs in the handling of internal matters, from the old Czarist government, there is a very close resemblance to same in regard to its policy in Manchuria, and particularly as it affects the Chinese Eastern Railway. So, despite all the squabbling that is going on, one hears that, in private conversations between Soviet and Japanese diplomats, little hints are thrown out that in the end it might be a good idea for the Soviets and the Japanese to join hands. It is even hinted that, among other things, they might jointly bring pressure to bear on the United States to return Alaska to the Russians. Ambassador Troyanovsky in an interview several weeks ago mentioned that Russia made a very bad bargain selling Alaska to the United States, viz. for U. S. $7,200,000. That was in 1867, after the close of the American Civil War. Alaska up until this time has been in the public eye mostly as a place from which gold, salmon and furs come, but it has of late assumed importance in another direction—one which the Japanese are watching with considerable trepidation. In case of an eventual conflict between Japan and the United States, Alaska will be made the base of America's air operations against the Japanese. The American plans in this direction received an additional impetus during this past summer when both the U. S. Army and the U. S. Navy sent their air squadrons to Alaska. Thus we have a situation where both the Russians and Japanese have strong motives to see Alaska wrested from American control—the former because they feel that they let go a valuable property for a mere song and the

latter because they realize that Alaska will be the fulcrum of America's operations against them, in case a war between the United States and Japan should ever develop.

⁂

IN line with the thoughts above expressed is a conversation which is reported by *Havas* to have taken place in Moscow September 1 between the M. Ota, the Japanese ambassador to Moscow, and M. Stomoniakoff, Soviet Vice Commissar for Foreign Affairs—a conversation remarkable not only because of its content, but also remarkable because news of it was given to the outside world so promptly. While M. Ota was careful to point out that his opinion was expressed purely on his own responsibility without any special instructions from his government, and was therefore not to be considered official in any respect, nevertheless, as the *Havas* correspondent states, it can safely be assumed that the views expounded by M. Ota correspond to the state of mind of the Japanese leaders. The gist of M. Ota's proposal is that both the Japanese and Russians should evacuate all their troops from the districts of the Far East "which present danger points out" and where there is reason to fear the occurrence of frontier incidents which might lead to a conflict.

In making this proposal M. Ota mentioned that he did not wish to impugn the peaceful intentions of the Soviets in the Far East, still there was no denying the fact that relations were strained. To this the Soviet Vice Commissar retorted that the Japanese were responsible, if such a situation existed. However, it is stated that the two diplomats discussed means of a practical nature which could be applied in order to put an end to the tension in the relations of the two countries . . . M. Ota incidentally expressed the opinion that a speedy settlement of the question of the cession of the Chinese Eastern railway to Manchukuo would go a long way towards easing the strained situation.

⁂

The proposition for both the Russians and the Japanese to withdraw their forces is, it may be pointed out, not at all a new idea. The old Czarist government and the Japanese made several agreements of that kind in past years, but they were only indifferently observed. In the present instance it would undoubtedly be the Russians that would be handicapped by agreeing to such a proposal in case a conflict in the future should break out. The Japanese have built railways in Manchuria and particularly the motor roads with strategy in mind, and have kept them up to a state of efficiency that would enable them to transport troops, muntions and supplies at an amazing speed, whereas the Russians would have to be depend, as in the days of the Russo-Japanese war, on the trans-Siberian railway, the efficiency of which has only been moderately improved since the Bear withdrew under the pressure of the Rising Sun. Recent travelers from northern Manchuria report that there is a marked difference to be noted in the efficiency of the management and the smart appearance of the trains when one changes from the Russian train to the Japanese train at Changchun. Just as was the case in the days before the Russo-Japanese war it is the Russian trains that suffer by comparison with those operated by the Japanese. True enough, conditions have changed in the intervening years, and airplanes will play a major role in present day war operations. But the railways must still bear the burden of transporting supplies and arms—this, despite the fact that the Russians have undoubtedly already brought huge supplies to the Far East.

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Incidentally, it may be mentioned that the present Japanese hints have another precedent, coming as they do just at the time of the propaganda that is being put out for the renewal of the Anglo-Japanese alliance. In 1901, various Japanese diplomats, Marquis Ito among them, put out feelers in St. Petersburg with a view to seeing whether some arrangement might not be come to with the Russians to stave off the conflict which they felt must otherwise come. When these feelers came to nought the way was cleared for the signing of the Anglo-Japanese alliance in the following year.

It may not be out of place to mention here that Ito was one of the ablest diplomats that Japan ever had. His methods and morals are however not held up as models for the present generation. His favorite method of introducing budding diplomats to their work was to make them as drunk as possible on sake. And his private life was such that when the question of a suitable monument was being discussed after his death, *Osaka Puck* printed its proposal:—Ito in the center, with hair deshevelled and a geisha on each side of him.

⁂

Cream of Soviet Army Mobilized Along Frontier

The cream of the Soviet army is mobilized along the frontier, declared Major-General Michitaro Komatsubara, until lately head of the Japanese Military Mission at Harbin, on his arrival at Dairen, Sept. 3. en route to Tokyo, where he will be attached to the office of the General Staff. He added quickly, however, that they were "only barking from a distance." Despite its warlike preparations, he continued, the Soviets were not taking the offensive lest the country should suffer "immeasurable consequences" if its picked troops were defeated. Major-General Komatsubara ended on a reassuring note. He said that the inhabitants along the border were less aware of the existence of tension than people elsewhere and that the situation was not as serious as exaggerated reports indicated.

Obvious signs of Soviet military preparedness were witnessed in Siberia by W. D. Barker, Far Eastern sales manager of the American Steel Export Company, who recently arrived here from New York via London and Siberia

for a business visit. He reported that while journeying by rail across Siberia he had seen large numbers of trains loaded with Soviet troops moving to various points along the Trans-Siberian Railway. But he had been particularly impressed, he said, by the new air bases in Siberia especially those he had seen at Chita and Irkutsk, which appeared to be the last word in efficiency. Some 50 planes, including heavy bombers, were assembled at each of these two bases and all ready to go into action, Mr. Barker said. Soviet troops, Mr. Barker continued, appeared to be well fed and clothed, in contrast with the civil population, which, he asserted, was obviously under-nourished and poorly clothed. Nevertheless, a vast amount of construction work was going on in the Soviet Union and the dwelling houses being constructed for workers were exceptionally good.

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A suggestion that the Chinese Eastern Railway should be expropriated by the Manchukuo Government was contained in a leading article in the *Manchuria Daily News* Dairen, Sept. 3. The journal contends that, under international law, the Soviet Union is responsible for anything that happens on the railway, of which it is a joint owner, and therefore must submit the line to the jurisdiction of Manchukuo. "The least we may, expect," the paper said, "is submission by the Soviet to reasonable restraint in another man's house."

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Russia Will Not Cede Maritime Province

"Moscow might eventually consent to sell the Chinese Eastern Railway, but this does not in the least mean that the U. S. S. R. would be prepared to cede the Maritime Province to the Japanese," the Manchester *Guardian* wrote Sept. 3, in commenting on the present tension between Soviet Russia and Manchukuo. "If the Tokyo Government attempted to occupy Russian territory, Japan would soon realize that the Soviets do not intend to bargain on the subject," the paper goes on, and says in conclusion that Soviet Russia is neither sufficiently strong nor sufficiently weak to accede to Japan's demands, and no matter what course the Chinese Eastern Railway question will eventually assume, "it is pratically certain that the Soviets will defend Russian territory."

French Ambassador Sees No Signs of War in the Far East

M. Paul Claudel, French ambassador to Brussels, one-time ambassador to Tokyo, in an interview at Grenoble, Aug. 30, said "I do not believe in the possibility of a war in the Far East, firstly because the Japanese are not a bellicose nation and secondly because they have too many other things on their hands at the present time."

Poland and Switzerland Oppose Soviet Entry Into League

Poland and Switzerland are opposing the entry of Soviet Russia into the League of Nations. Geneva advices indicate that, as a result, the Soviets may be offended and make no further effort to join.

JAPAN IS WILLING TO "CO-OPERATE"

The following are extracts from an editorial in the Tokyo "Nichi Nichi" Aug. 28:—

WHETHER Japan will acquiesce in any request made by Britain for co-operation in this part of the world is an interesting question. Co-operation between Japan and Britain or among all nations regarding China is a thing to be desired as a matter of principle. There has been need for international co-operation in China during the past decade or so, during which the relations of China with the Powers have become extremely complicated. Such co-operation has been deemed necessary for the development of China as well as for the safety of the interests of the Powers in that country. The strange thing is that this need has always been disregarded by the Powers. This is the principal factor responsible for the situation today in the Far East. Why have the Powers abstained from co-operating in China? The reason is not far to seek. They have lacked appreciation of political and social conditions in China and the characteristics of the Chinese. Moreover, they have been very poorly acquainted with the position and mission of Japan in the Far East. Each Power has put its interests above those of others in shaping its course toward the Far East. The greatest sufferer from this policy has been Japan, with its vast interests in this region. Since the World War, the Powers have, under the cloak of justice, befriended China to a point that has spoiled it, making it the haughty boy of the East. One result of this has been misunderstanding of the intentions of Japan in this part of the world, where much injury has been done to its vested interests. It was two or three years ago that Japan, realizing that international co-operation in China would do no good and in order to get rid of the menace to which it was exposed, embarked on a new policy. The Powers, with their lack of knowledge of actualities in the Far East, attempted through the League of Nations to put obstacles in Japan's way, while pursuing toward China a policy which made it more and more arrogant. This did not discourage Japan in its efforts to consolidate the peace of the Far East. While striving on one hand to enlighten the Powers regarding actual conditions in this part of the world, Japan on the other made great sacrifices to put the peace of this region on a firm footing. Japan's efforts were not in vain. A new State has come into being in the Far East, a State in which all can hope to live in peace. An era of peace has dawned in the Far East, credit for which is due this country, which pursued a policy designed to bring peace, independent of the Powers, and staked its existence on its execution.

JAPANESE PATRIOTISM

—*Vechernaya Moskva ("Evening Moscow")*

The words in the banner are: "We will not give up our China to anybody."

Incidentally, it has been the policy of Japan to co-operate with the Powers in the development of China. Thus Japan would have no reason for refusing to co-operate with Britain or any other Power in China. But there is a condition on which Japan would insist. The Powers must recognize the position of Japan in the new Far East before they can hope to have it co-operate with them. International co-operation in China on this condition would be to the good of not only China but the Powers themselves.

"U.S. Won't Fight Japan and Russia Can't"—Finance Minister Fujii

The *Jiji* recently interviewed Mr. Fuji, Japanese Finance Minister, with the following result. The *Jiji's* representative asked whether the Minister believes in the possibility of a foreign invasion of Japan,—an American attack, for instance. The Finance Minister emphatically declared that such a contingency is absolutely inconceivable, in view of the present economic situation of the world. With America, Japan has no serious economic conflict. That country is too much engrossed at present in measures to conquer the financial deficit, and in removing economic uneasiness to think of war. When it is remembered that America is ready to grant independence to the Philippines, it is impossible to suppose that she contemplates aggression at the sacrifice of the peace of the Far East. Her best interests, indeed, lie in friendly co-operation with Japan in the economic field. Asked his view on the Soviet-Japanese crisis, Mr. Fujii replied that Russian aggression is no more conceivable than American. Popular resentment against oppressive Soviet rule, reinforced by economic distress, considerably impairs the authority and influence of the Stalin Administration. Since the population of over 100,000,000 is now ruled by only 1,000,000 Communists, the starting of war with a foreign country would throw domestic conditions into irretrievable confusion, politically and economically. The Soviet Government knows better than to challenge Japan, Mr. Fujii added.

The *Japan Chronicle*, Aug. 22 commented :—"Japan is very quick to resent slurs on her own national polity, but supposedly responsible Cabinet Ministers show little compunction in hurling an insult or two at the Governments of neighboring Powers. Generally it is the defence Ministers who are at fault, and it is an unpleasant surprise to find Mr. Fujii, the Finance Minister, taking a hand in the game. In discussing the Russo-Japanese situation, Mr. Fujii—according to one of the Osaka papers—saw fit to denounce the Moscow Government as oppressing the toiling masses of Russia. Mr. Fujii is entitled to his opinion, but as long as he retains Cabinet rank he should keep it to himself."

Tokyo Publisher Committed to Prison on Charge of Blackmail

Hidekichi Noyori, owner and publisher of the *Financial World*, influential trade magazine was committed to the Ichigaya Prison Sept. 1 pending formal indictment on charges of blackmail. The police assert that he has confessed to having obtained Yen 30,000 from various influential industrialists and stock market operators in one year by threatening to publish damaging article.

Mr. Noyori, who is 50 years old, is said to have admitted to having received Yen 10,000 from Mamoru Nagano, director of the Imperial Rayon Company last year to stop the publication of a series of articles on the rayon firm, the Bank of Taiwan and the Kobe Steel Foundry Company. All three enterprises were mentioned in the scandal involving Baron Kumakichi Nakajima, former Minister of Commerce and Industry, and 14 other high Government officials, which is now under judicial investigation. Mr. Noyori is also charged by the police with having obtained Yen 12,000 by intimidating leaders of the Mitsubish financial group in June to July last year and with having threatened Jinnosuke Takasaki, a member of the Tokyo Stock exchange, into giving him Yen 2,000.

Vice Admiral's Son Attempts Suicide

Hitoshi Kishimoto, 21, son of Vice-Admiral Kishimoto and research student in horticulture at the Kanagawa prefectural agriculture station at Ninomiya, was discovered suffering from poison Aug. 27 in an attempt at suicide in a field on the outskirts of Oiso. He was rushed to the hospital, but his condition is critical.

"Mamma" and "Papa" Under Fire in Japan

A controversy has been started in Japan by the decision of the minister of education to ban the expressions "mamma" and "papa" in elementary schools and kindergartens. Many prominent Japanese, however, have come forward in defense of the use of the now familar terms.

Japan's Increasing Export Trade

Japan's trade balance in the latter part of August resulted in an export excess of Yen 14,194,000. Imports totalled Yen 71,466,000 while exports reached Yen 85,660,000.

Preparations are being pushed by the Japanese Communications Ministry for the inauguration of a radio telephone service with the United States by arrangement with American Telephone and Telegraph Company. The charge for a 3-minute call has been tentatively fixed at U. S. $ 30.

American Priest Urges Lifting of Restrictions on Asiatic Immigration

Lifting of the immigation restrictions against the Orientals is favored by the Rev. L. K. Patterson of Woodstock College, Maryland, who, in addressing the annual convention of the Jesuit Philosophical Association in South Norwalk, Conn., Aug. 28 predicted that Bolshevism will sweep Asia "if a Russo-Japanese war materializes and Russia is victorious." He described Japan as a small over-populated territory where the population is still increasing by leaps and bounds. "I do not want to preach birth control, but at this time I should favor admission of the yellow race to the United States," he said. He criticized certain newspapers for assuming "a strangely inconsistent attitude toward nationalism, namely, crying about the yellow peril and the open door, and with the same breath warning the necessity of a larger navy."

How Japan Enforces Exclusion in Its Own Realm

Convicted of violations of the Japanese immigration regulations, 72 Chinese were put aboard a Japanese steamer at Kobe Aug. 30 and shipped to Shanghai. Ten Japanese women accompanied their deported Chinese husbands. The Chinese were arrested by provincial police authorities in northeastern Japan on charges of peddling without licenses and were ordered deported when found to lack necessary immigration papers. The Japanese police stated that they were mostly former sailors who jumped ship while in Japanese waters.

Ordering strict enforcement of immigration regulations for Chinese laborers, the Government-General of Chosen Sept. 1 moved to halt a mass influx of coolies, which has threatened to upset the Korean labor market. As a result of the order, no Chinese worker who has not a job to take up on arrival and who cannot produce Yen 100 will be allowed to enter the country.

Soviets Ask Chinese to Deport Tug-Boat Refugees from Vladivostock

Both local Soviet and White Russian authorities have presented petitions to the Ministry of Foreign Affairs in connection with the nine fugitives from Vladivostock who arrived here recently in a tug boat. The Soviet authorities charge them with participation in seven murders in Vladivostok and urge that under Sino-Soviet diplomatic agreements, all Soviet fugitives wanted in connection with crimes are to be handed over by the Chinese authorities to the Soviet authorities. The leader claims to be a naturalized American. M. Bogomoloff, Soviet ambassador to China, proceeded to Nanking during the week. One of the items on his agenda, it is reported, is the solution of the destiny of the eight men and the woman which comprise the party. Local Soviet and Chinese authorities continue to maintain silence on the matter though they have indicated that decision is expected within a few days. All of the fugitives possessed unvisaed Soviet passports when they arrived and stated that they had come to Shanghai "to escape police prosecution in Soviet Russia."

Kwangtung Will Send Students Abroad to Study Technical Subjects

An examination will be held at Canton Sept. 17 and 18 to select ten students to be sent to America and Europe. Three will be sent to Britain to study cotton weaving, wool weaving and shipbuilding, one to Germany to study general mechanics, one to France to study silk weaving, one to Switzerland to study hydro-electric engineering, and two to the United States to study aeronautical engineering and paper manufacturing.

Chinese messages from Nanking state that Shih Ying, Mayor of Nanking, has issued orders to the Bureau of Social Affairs to give strict instructions to all school teachers and students that all students must wear uniforms, without exception, and the teachers' clothes must be especially dignified and plain in order to set an example for their students. Woman teachers and girl students are prohibited from curling their hair and putting powder or rouge on their faces. Mayor Shih not long ago created a sensation in Nanking by ordering all singsong girls to wear the Peach Flower Badge on their gowns as an indication of their profession.

Sino-Japanese Negotiations Soon to Reopen at Peiping; Chinese Envoy to Tibet Arrives at Lhassa

Highlights in the Events of the Week:

1. **Ying Tung Returns to Peiping to Resume Negotiations with Japanese.**
2. **General Chiang Sets Date for Liquidation of Red Menace in Fukien.**
3. **General Huang Mu-sung Arrives at Lhassa, Capital of Tibet.**
4. **Canton Decides not to Oppose the 5th National Party Congress.**
5. **Chairman Lin Sen Returns to Nanking After Long Vacation at Kuling.**
6. **General Yang Hu-chen and Liu Lu-ying Now Visiting Shanghai.**

Negotiations between the Chinese and Japanese authorities for the settlement of the various outstanding issues in the Luantung Demilitarized Zone will be reopened at Peiping this week, declared Ying Ju-ken, Administrative Inspector of the Chihhsien-Miyun Area, at Tientsin September 4. According to Mr. Ying, the following will be the principal topics which will come up for discussion at the coming negotiations:

1. Adoption of effective measures for curbing the activities of the Japanese and Korean Ronins in the Luantung Area.
2. Retrocession of the police rights at the various passes in the Great Wall region.
3. The number and the type of military equipment of the newly organised Hopei Provincial Peace Preservation units to be dispatched into the Luantung Area.
4. Retrocession and rehabilitation of Malanyu.
5. The question of withdrawal of Japanese troops from the Luantung War Zone.
6. The question of East Charhar and Doloner (now under Japanese occupation).
7. Measures for prohibiting the activities of the so-called Toa Company (Great Eastern Company) at Shanhaikwan.

According to a telegram from Peiping, Col. Shibayama, military attache of the Japanese Legation at Peiping, and Mr. Ying Tung, Managing Director of the Peiping-Liaoning Railway, had a preliminary discussion on Sept. 4 in connection with the above matters.

Ying Tung arrived at Peiping from Kuling August 29. Interviewed by local pressmen, Mr. Ying said that although he and General Huang Fu reached Kuling on August 10 they did not have a chance to talk with General Chiang Kai-shek until ten days later because the General was indisposed.

"Regarding the problems of the demilitarized Zone," Mr. Ying stated, "measures have been decided on concerning the suppression of "ronin" activities, the retrocession of the Manchu Tombs and substituting a new Peace Maintenance Corps for the existing one. These measures will be carried out pending a preliminary consultation with Ying Ju-keng and Tao Shang-ming.

"The Japanese authorities have already considered measures for the retrocession of Dolonor and as soon as General Huang Fu returns to Peiping, negotiations will begin. The report that the political situation will undergo a change after General Huang returns is entirely untrue. General Huang Fu will return to Peiping before September 10 but he has decided to make a brief stay at Nanking on his way back."

August saw more Japanese visiting Inner Mongolia than during any other period, according to information received at Peiping from Kalgan. General Sung Cheh-yuan, the Chahar Chairman, has issued a circular order stating that the Chinese authorities will not assume any responsibility for the protection of the Japanese who are not armed with a proper passport issued by the Chinese authorities.

The airfield built by the Japanese outside the Great Wall at Hsifengkou has been completed. It covers an area of 600 mow. On Sept. 2, Japanese aeroplanes arrived at Hsifengkou and made a trial landing on the new airfield. The planes later returned to Chinchow, where the Japanese have established their air base.

Bandits made a sudden attack night of August 30 on the police station outside the west Gate of Shanhaikuan with the obvious intention of disarming the police. The police offered stiff resistance and the battle lasted for two hours. The bandits retreated when police reinforcements arrived from other stations.

A plot of Liu Kuei-tang, notorious bandit leader, to stage an uprising in Tientsin was nipped in the bud by the Bureau of Public Safety with the arrest on August 29 of a score of socalled "divisional" and "brigadier" commanders appointed by Liu. According to the confessions of the arrested men, Liu, in collusion with Shih Yu-san, former commander of the 13th Route Army who has turned traitor, conspired to create disturbances in the Tientsin municipality. Martial law has been declared in Tientsin since August 27.

The Customs station at Lengkou, one of the Great Wall passes, was formally established on August 30 and Customs duties were collected from that day. The Tariff Inspection Office at Shanhaikwan was formally opened the next day and duties are now being collected there as well.

The Coastal Defence Bureau of Hopei has been reorganized into a Water Police Bureau by an order of the Hopei Provincial Government. The Bureau has been entrusted with the task of maintaining peace and order outside Taku and will control the various cruisers and gunboats formerly under the Coastal Defence Bureau.

By way of encouraging native industry the Shansi provincial authorities have decided to take measures to restrict the free entry of foreign products into the province. Since September 1 an Examination Bureau has been established at the railway station for the purpose of examining all incoming goods. Imported foreign products will be detained unless with the previous approval of the authorities. All business concerns in Shansi have been instructed to do what they can to encourage native industry and to import as little foreign produce as possible.

The National Economic Council, the Suiyuan Provincial Government and the China International Famine Relief Commission are jointly organising a conservancy organ for the Min Sheng Irrigation Canal in Suiyuan province. The National Economic Council has despatched a foreign technical expert to Suiyuan to make preliminary surveys.

General Chiang Sets Date for Liquidation of Red Menace in Fukien

An order has been received by the Foochow Authorities from General Chiang Kai-shek, requiring the complete liquidation of the remnant "Red" outlaws in Fukien province before November 12, the date for the convocation of the 5th National Congress of Kuomintang Delegates, and threatening severe punishment of those military units failing to fulfill their duties within the stated period. General Chiang, in his order, also enjoins the various ranking commanders to erect blockhouses along the highways and on bridges so as to strengthen the defences both at the front and in the rear.

The Communist movement in the northern part of Fukien has collapsed, according to a *Reuter* report. Harried by the Government forces, the Communists there have been reduced to a mere handful. Following the defeat of the Communists, river traffic has been resumed with the important town of Yenping in the interior.

Reasons for General Liu Hsiang's Resignation

Despite the persuasions of the Central Government leaders, General Liu Hsiang of Szechuan has not yet consented to withdraw his resignation and return to Chengtu to resume cammand of the Communist-suppression Forces in Szechuan. According to inquiries made at the various quarters, the immediate cause of his resignation is the recent disastrous defeat

of his troops at Wanyuan, in north-eastern Szechuen. After Communists entered Szechuen through Shansi, General Liu sent his best troops to the front and devoted his entire resources to fighting the Communist forces. Plans were made to attack Wanyuan and Tungkiang, two strongholds of Communists in Szechuen. General Liu's troops defeated the Communist forces and surrounded the walled city of Wanyuan but other Szechuen generals instead of giving General Liu their active support as they had promised, stayed behind and allowed Communist reinforcements to pass through their lines. Communists at Wanyuan staged a vigorous counterattack and one brigade of General Liu's troops was wiped out. General Liu took the defeat deeply to heart, as other Szechuen generals appeared to rejoice over the Communist victory and continued to press General Liu for money and munitions. The other generals fear that if General Liu succeeds in exterminating the Communists in Szechuen their own position will be none too safe.

Another problem which had been worrying General Liu is his financial difficulties. He has to support his own army of 150,000 men, and another 100,000 men under other commanders Tien Tsung-yao, Teng Hsi-hou. Yang Sen and others, who still rely on him for financial support. Szechuen troops may not be paid in peace time, but when they are sent to the front to fight the Communists they must be paid promptly in cash, not notes. With the Communist war dragging on for nearly one year, the serious shortage of silver in Szechuen is felt keenly. The remittance charge from Szechuen to outside ports runs as high as over $200 per 1,000. The shortage of arms and munitions is another per $1,000. The shortage of arms and munitions is another serious obstacle to General Liu's campaign against the Communists. Only by superior fire can Government troops hope to dislodge the Communists from their mountain strongholds. The difficulties of bringing arms and munitions into Szechuen have disheartened the Szechuen leader.

Rive "Red" units consisting of the 9th, 49th, 30th, 31st and 32nd "Red" Armies are now concentrated at Wanyuan and its environs. The city of Wanyuan, which had been captured by the Szechuen Bandit-suppression Forces, was retaken by the "Reds."

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A greater use of bombing planes and artillery, further tightening of the economic blockade against the Red areas, and the building of more block-houses at various vulnerable points will be the most effective military measures against the communist forces in Kiangsi. The statement was made by Kung Ho-chung, formerly an important Red commander but now one of the counsellors to General Chiang Kai-shek, in a speech recently delivered at the Generalissimo's headquarters in Nanchang.

Kung said that he had joined the communists with the idea of working for the welfare of the masses. After eight years' experience as a high communist commander, he was now convinced that communism was impractical in China, and realized that the San Min Principles rather than Marxism afforded the way towards national salvation. He still cherished his former aim of working for the masses, but would exert himself along a different direction.

With the revival of the Communist threat to southern Kiangsi, all available Cantonese troops were ordered August 30 from northern Kwangtung to rush to Tayu, headquarters of the Cantonese command in southern Kiangsi. Following the combined attack of the provincial troops from Kwangtung, Kwangsi and Hunan, the 7,000 Communist troops under Hsiao Ko evacuated southern Hunan and are believed to have fled to southern Kiangsi in the vicinity of Hsinfeng. Hence the conditions in southern Kiangsi are rather critical.

There are considerable troops movements in northern and eastern Kwangtung. It is stated that the shifting of position must be completed by September 1. Nanhung, Chihing, and Shaokwan, three towns in northern Kwangtung, are to be strongly garrisoned, as they are very close to Kwangsi.

General Pai Chung-hsi, well-known Kwangsi military chief, is now at Anyuan to inspect the 44th Division and to make a general survey of the defense works in southern Kiangsi. The Kwangsi general recently completed an extensive tour of eastern Kwangtung and has made recommendations for strengthening the defense of that area.

Several thousand communists belonging to the 4th Red Army have lately appeared near Houchiu, a city in northwestern Anhui, and are terrorizing that district. The strength of the Reds is estimated at several thousand. Three divisions of Government troops in Anhui have received orders to move towards Houchiu for the suppression of the Reds. General Liu Mou-eng, commander of the 11th Route Army, has left Lu-an for the front to direct operations in person.

As a result of the strong pressure brought to bear upon them by the combined forces of Kwangtung, Kwangsi, and Hunan, the Communist troops under Hsiao Keh, which recently penetrated into Southern Hunan and terrorized that region, have fled to the Hunan-Kwangtung border and there are indications that they are planning to return to Kiangsi. General Ho Chien of Hunan has telegraphed to General Chen Chi-tang of Kwangtung and General Chiang Ting-wen of Fukien asking their co-operation in rounding up the Reds before they return to Kiangsi.

According to an official bulletin of the Nanchang Provisional Hadquarters of the President of the Military Affairs Commission, Ichien, a strategic point 27 miles south of Kwangchang in south-eastern Kiangsi, has been captured by units of the 3rd Route Army under General Chen Cheng. Laoyingpan, a strategic point north of Hingkuo, "Red" stronghold in southern Kiangsi, has been captured by the Government 36th Army.

The troops of the 6th Route Army are providing protection to the farmers who are reaping their harvest in the neighbouhood of the Red areas in the province. For fear of communist attacks the farmers have formed themselves into corps, each having from 300 to 500 persons. When the farmers are doing their work in the field the soldiers hold all the surrounding mountains and startegic points and remain on the lookout until the farmers have completed their work. By so doing the farmers have seoured no less than 20,000 piculs of wheat and rice.

Li Tzu-liang, a staunch fighter among the "Reds," has surrendered to the 19th Hunan Division. He was escorted to Changha from Pingkiang north-eastern Hunan, August 29. In an interview, Li said that he has realized that there is no room for Communism in this country as its doctrines are not adapted to conditions in China. He therefore decided to "abandon the darkness and seek the light.

General Chiang Kai-shek had a lengthy discussion at Kuling August 30 with a number of bankers from Shanghai and Peiping, among whom were Chang Kia-ngau, Hsu Sing-loh, and Wu Ta-chuan. Later, General Chiang also received a number of educators at a tea reception. Those present were Minister Wang Shih-chieh, Dr. Chiang Mon-lin, and Chou Keng-sheng, Chou Ping-lin, and Yang Cheng-sheng, when measures for the promotion of education were discussed.

General Huang Mu-sung Arrives at Lhassa

An unprecedented welcome greeted General Huang Musung, Special Commissioner to Tibet, on his arrival at Lhassa, capital of Tibet, on August 25th four months after he left Nanking, according to a message from General Huang to the Central authorities. Among those who greeted him as he neared the city were the Su-lun (Chief Governing Official) and members of the Ko-hsia (Governing Council), as well as representatives of the three leading Monasteries and hundreds of representatives of the various civic organisations. In the course of the long journey to Lhassa, General Huang reports, two of his attendants were killed in a violent snowstorm. General Huang and his party left the Capital on April 26, travelling by the land route through the provinces of Szechuan and Sikong.

The Panchen Lama has decided to send Anchin Hutukatu on a second visit to Lhasa for further discussions with the Tibetan regent, and the National Government has been requested to appropriate $20,000 as travelling expenses.

The Government has received a telegram from Suchow in Kansu reporting that Sinkiang has practically been unified under the control of General Shen Shih-tsai, whose authority now extends to the southern part of the province. General Shen has divided the province into six administrative areas each under the control of a commissioner. Each of the administrative areas will also be garrisoned by a body of troops under a garrison commander.

The Tungkwan-Weinan extension of the Lung-Hai Railway was formally opened to traffic Sept. 1. With this extension line in operation the journey between Shanghai and Sianfu can be shortened by 24 hours.

The petition of seven Hutuketus ("Living Buddhas") for the establishment of a joint Office at Nanking—transmitted through the Mongolian and Tibetan Affairs Committee—has been approved by the Executive Yuan. The Office will be established as soon as the Regulations governing its organization are announced.

Canton Decides Not to Oppose the 5th National Party Congress

After repeated exchange of views among the leaders in the South-west, a decision is reported to have been reached that no opposition should be made to the Fifth National Party Congress at Nanking. The Southwest leaders are now drafting proposals which they will submit to the forthcoming Congress for consideration and adoption.

The leaders in Canton have received telegrams from Nanking informing them of the imprending visit of Dr. H. H. Kung, the Finance Minister, to Canton. It is understood that the chief mission of Dr. Kung's visit is to obtain an understanding from the southern leaders regarding the forthcoming Fifth Congress at Nanking. If possible Dr. Kung will attempt to induce all the C. E. C. members in Canton to proceed to Nanking to participate in the gathering. Dr. Kung will also see Hu Han-min while passing through Hongkong. The Canton leaders have already telegraphed to Nanking welcoming Dr. Kung to make the trip.

General Tsai Ting-kai, hero of the Sino-Japanese hostilities at Shanghai early in 1932, has telegraphed to his friends at Canton from Washington stating that he intends to remain in the United States for a considerable period. He intends to study military tactics and also the English language. He has not yet fixed a date for his return to China.

General Oong Chao-yuan, the famed defender of the Woosung forts during the Japanese invasion of Shanghai in 1932, arrived at Moscow September 3 after an extensive tour in Continental Europe. Interviewed by the *Chekiai Agency's correspondent*, General Oong stated that he visited Europe in 1930 and that during his present trip, he noticed that the economic condition there was worse than four years ago and there was unrest everywhere, as if another war is pending. He further stated that in 1930, he passed through Moscow on way back to China, but he hoped that he will remain at Moscow longer this time in order to make a closer study of the Soviet conditions.

Press reports that General Chang Fa-kuei, Commander of the famous "Ironsides," was killed in a railway accident in the United States are officially denied by Dr. Alfred Sze, Minister to Washington, in a cable to the Ministry of Foreign Affairs. General Chang is enjoying the best of health, Dr. Sze states. Dr. Sze reports that he met and conferred with the General at New York on Aug. 27th. Dr. Sze however confirms the report that two Chinese pilots, while flying their machines on August 23rd, to welcome General Chang, collided in mid-air, one of them being killed instantaneously.

The Kwangtung Provincial Government has ordered the various district governments to draw up schemes for the carrying out of the second part of the three-year plan of reconstruction. As important points in the second part of the plan include the development of communication, pushing forward relief undertakings, the development of afforestation and the promotion of education, the various district governments are now prepared to build more rural highways and establish public hospitals, homeless asylums, forestry stations and free schools.

Chairman Lin Sen Returns to Nanking From Kiangsi

Lin Sen, Chairman of the National Government, returned to Nanking September 4 from Kuling, where he had been vacationing for the past two months. Chairman Lin travelled by the gunboat "Chungshan" and was greeted by a salute of 21 guns. The Chairman has hurried back to the Capital in order to receive the Belgian Envoy, Baron Emmanuel Janssen, on the 8th inst.

Under the chairmanship of President Wang Ching-wei, an important conference was held on the morning of August 31 at the Central Political Council. All important government and party leaders were present. As utmost secrecy is being observed, what was discussed at the meeting is unknown.

The Kuomintang organs in the various provinces in North, Central and South China will submit a joint proposal to the forthcoming Fifth National Party Congress for the abolition of the Executive Committee of the Kuomintang in the South-west and the South-west Political Council at Canton. The reason given is that the existence of these two organizations will give the world the impression that China is not a unified country.

A number of Central Government officials—including Dr. Wang Shih-chieh, Minister of Education, Tang Yu-jen, Vice-Minister of Foreign Affairs, Liu Wei-chih, Vice-Minister of Industry, and Tseng Chung-mng, Vice-Minister of Railways—returned to Nanking August 31 from Kuling, where they had conferred with General Chiang Kai-shek.

Yu Yu-jen, Presirent of the Control Yuan, is now Sanyuan, his home town in Shensi where he will remain for some time for the recuperation of his health.

President Sun Fo, who has been holidaying in the Hawaiian islands, embarked for home August 31 on board the "Empress of Japan." He is expected to reach China on September 11.

Dr. H. H. Kung, Minister of Finance, accompanied by Madame Kung, arrived at Nanking from Kiangsi on Sept. 4, travelling on board the Customs cruizer "Wen Hsin." Dr. and Madame Kung had been summering at Kuling during the past several weeks. After remaining in Nanking for two or three days, Dr. Kung will proceed to Shanghai to discuss with the Chinese bankers there measures for coping with the silver situation precipitated by the sudden exodus of the white metal to foreign countries.

Referring to the rapid progress achieved by the government forces in the operations against the Red bandits in Kiangsi, Dr. Kung declared that the campaign is likely to be brought to a successful conclusion before the end of this year. Due to pressure of duties, Gen. Chiang Kai-shek was slightly indisposed a few days ago, he said. Gen. Chiang has, however, already recovered completely. Minister Kung pointed out that for humanitariian reasons, the government has not, and will not employ heavy armaments against the bandits. The Government is therefore utilizing political as well as military means for the suppression of the bandits.

Rehabilitation measures for the districts newly recovered from the Communist bandits, Minister Kung continued, are being consistently adopted by the Government. He expressed the hope that the people will redouble their efforts for the promotion of national productivity and avoidance of waste, in order to combat the wave of economic depression that has now struck this part of the world. The unfavorable foreign trade balance of the country might be made up easily if every Chinese citizen could increase his power of productivity by two dollars. The financial position of the Central Government, he said, is quite satisfactory. Evasion of taxation, however, has frequently occurred, but adequate measures to stop this are being devised by the government.

The National Postal Conference, summoned by the Ministry of Communications, opened at Nanking September 1. According to a spokesman of the Ministry the conference is only a departmental conference at which postal and postal savings executives of the Ministry have gathered together to devise ways and means of improving the postal services.

Eighteen Chinese warships which have just completed their manoeuvres at Pakuachow in the Yangtse River near Nanking have received orders from the Navy Ministry to sail for the Chekiang coast where other manoeuvres are to be held. Admiral Wang Shou-ting, Commander of the Training Squadron, will command the naval review in Chekiang waters.

It is learned that the Ministry of Communications is contemplating to amalgamate the China National Aviation Corporation and the Eurasia Aviation Corporation into one

and unified national aviation enterprise. Measures to effect the amalgamation are now being considered.

Preparations for the establishment of a newsprint manufactory at Wenchow, Chekiang, are now nearing completion. As soon as the capital of the enterprise is fully paid up, machinery for the factory will be ordered from abroad. The Government shares of the capital, it is understood, will be appropriated from the British Boxer Indemnity Refunds.

Liu Lu-ying and General Yang Hu-chen New Visiting Shanghai

Bearing important missions from Hu Han-min, Liu Lu-ying, the right-hand man of the former Legislative Yuan President now in retirement at Hongkong, has recently arrived at Shanghai from the South. Mr. Liu's visit, is viewed with considerable significance, as it is believed that his presence here on behalf of Mr. Hu will pave way for further cementing the existing bonds between Nanking and the Southwest. It is learned that since his arrival in Shanghai Mr. Liu has exchanged views with the C. E. C. members in Shanghai and is planning to proceed to Nanking to see the Government leaders. If his visit to Nanking proves to be fruitful it is said he will also undertake a trip to Kiangsi to interview General Chiang Kai-shek on behalf of Mr. Hu and other Southwest Leaders.

Disbandment of 20,000 soldiers, the planting of 160,000 trees and the construction of 3,033 kilometers of highways in a period of 18 months are some of the achievements of the provincial administration of Shensi outlined in an interview given by Gen. Yang Hu-cheng, pacification commissioner of Shensi, to the Chinese pressmen in Shanghai on Sept. 1. Gen. Yang arrived at Shanghai on August 29 after having interviewed Generalissimo Chiang Kai-shek at Kuling. Gen. Yang's troops were transferred to Shensi in 1930 by order of the central government, and since then they have been engaged in the work of bandit suppression. In spite of the periodical drought famine, they have been able to bring order out of chaos, General Yang asserted.Rumors of disorderly elements in his province were denied by the pacification commissioner but in order to be able to maintain peace and order permanently, he found it necessary to lighten the taxation burden of the people and disband superfluous soldiers.

General Yang expressed his gratitude to many Shanghai bankers for the interest they have taken in the industrial development of Shensi. Several banks of Shanghai, he said, have set up branch offices in that province to loan money to farmers who otherwise would not have been able to raise crops.

It is understood that during his stay at Shanghai General Yang will discuss a number of schemes for further rehabilitation of his province. He is also consulting T. V. Soong, an important member of the National Economic Council, in regard to the possibility of receiving further assistance from the council.

Liu Wen-tao, Chinese Minister to Italy, and Gen. Yang Chich, Head of the Chinese Military Mission to Europe, arrived in Shanghai from Europe August 4 by the "Conte Rosso." Both Mr. Liu and Gen. Yang will visit Gen. Chiang Kai-shek at Kuling after paying a brief visit to Nanking.

The Shanghai Chinese Chamber of Commerce has submitted a petition to the Ministry for Foreign Affars urging that steps be taken for the early conclusion of a commercial treaty between China and Persia. The Chamber pointed out that Persia imports more Chinese tea than any other country in the world and if a treaty is concluded with that country it would greatly facilitate China's export trade.

A total of six cases containing 251 kinds of products of shensi province was despatched from here to Shanghai August 31. The products are to be transported to America for exhibition at the Chicago Centenary Exposition.

Fifty Chinese recently deported from Japan arrived in Shanghai September 4 on board a Japanese vessel. It is learned that altogether 81 Chinese have been deported, 31 more to arrive by the next boat. It is understood that these Chinese will leave for Nanking within a day or two to report their case to the Government.

Population of Manchuria Increases 1,273,600 Over Previous Year

According to figures released by the Statistics Bureau of the Government, the population of Manchukuo, exclusive of the Kwantung Leased Territory and the S.M.R. Zone, at the end of 1933 was 30,879,717, representing an increase of 1,273,600 as compared with that at the end of 1932. Classified by nationality, the population consisted of 30,190,526 "Manchurians," 590,760 Japanese and 98,431 persons of other nationalities. The population was distributed as follows:

	Households	*Male*	*Female*
Fengtien Province	2,438,965	8,439,599	7,092,185
Kirin Province	1,164,616	4,059,150	3,312,743
Heilungkiang Province ...	624,078	2,117,187	1,702,099
Jehol Province	677,158	1,452,978	1,194,239
North Manchuria Special District	38,612	113,518	67,501
Hsinking Special Municipality	25,728	82,913	58,032
Harbin Special Municipality	87,458	255,701	157,685
Hsingan Prov., East. Div.	12,521	45,942	29,197
Southern Division ...	57,024	217,194	123,144
Western Division ...	52,690	189,610	126,300
Northern Division ...	7,140	27,130	15,770
Total	5,185,990	17,000,922	13,878,795
1932	4,829,881	6,332,354	13,273,763
Increase	356,109	668,568	605,032

Nationality Classification

	Manchurians	*Japanese*	*Others*	*Total*
Fengtien Province ...	15,398,686	131,707	1,391	15,531,784
Kirin Province	6,948,087	421,534	2,272	7,371,893
Heilungkiang Prov. ...	3,810,104	8,616	566	3,819,286
Jehol Province	2,646,330	854	33	2,647,217
North Manchuria Special District	151,191	5,865	23,963	181,019
Hsinking Special Municipality	136,215	4,686	44	140,945
Harbin Special Municipality	334,663	14,303	64,420	413,386
Hsingan Province, Eastern Division ...	74,700	197	242	75,139
Southern Division ...	337,800	2,538	——	340,338
Western Division ...	315,350	460	——	315,810
Northern Division ...	37,400	——	5,500	42,900
Total	30,190,526	590,760	98,431	30,879,717
1932	28,902,592	566,471	137,054	29,606,117
Increase or Decrease...	+1,287,934	+24,289	−38,623	+1,273,600

	Households	*Male*	*Female*
Kwantung Leased Territory	161,838	569,942	434,497
S. M. R. Zone	74,944	261,841	142,475
Total	236,782	831,783	576,972
1930	223,503	779,397	544,467
Increase or Decrease ...	+13,279	+52,386	+ 32,505

Kwantung Population

The population of the Kwantung Leased Territory and the South Manchuria Railway Zone at the end of 1933 totalled 1,408,755, as compared with 1,323,864 at the end of 1932. Households numbered 236,782, showing an increase of 13,279 over the previous year. Figures for the Kwantung Territory and the Railway Zone are as follows:

By Nationality:	*Manchurians*	*Japanese*	*Others*	*Total*
Kwantung Leased Territory	862,307	141,275	857	1,004,439
S. M. R. Zone	235,234	167,754	1,328	404,316
Total	1,097,541	309,029	2,185	1,408,755
1932	1,049,325	272,482	2,057	1,323,864
Increase or Decrease ...	+48,216	+36,547	+128	+84,891

Wiley Post to Fly Through Stratosphere to Australia

Wiley Post, one-eyed American Indian pilot who made the first solo round the world flight in 1933, is going to take off from the United States sometime in October and fly like a rocket through the stratosphere to Australia in two days, the London *Sunday Dispatch* announces.

Japanese Army Uncompromising in Demand For Full Defense Appropriations

THE Japanese War Office's national defense estimate for the 1935-36 fiscal year's budget will be demanded without a single concession, was the agreement reached between the War Office and the General Staff authorities on August 27. It was also decided that on the basis of this decision, negotiations with the Finance Office will be continued. The requisitions for new projects to be demanded by the War Office total Yen 406,000,000. This, added to the basic War Office budget of Yen 200,000,000, will bring the budget figure up more than Yen 600,000,000. The joint conference of the brains of the Japanese War Office and the General Staff was held at the official residence of War Minister General Seniuro Hayashi. The War Office was represented by War Minister Hayashi, War Vice-Minister Lieut.-General Toranosuke Hashimoto, Colonel Gun Hashimoto, chief of the Military Affairs section. Maj.-General Tetsusan Nagata, chief of the Military Affairs Bureau, and Chief Kanjiro Hirate of the Economics section.

The General Staff was represented by Vice-Chief of Staff Lieut.-General Gen Sumiyama, Chief Lieut.-General Otsuzo Yamada of the General Affairs Department, Lieut.-General Kiyoshi Imai, chief of the First Department, and Colonel Renya Mudaguchi, chief of the General Affairs section, and others.

Details of Japanese War Office Demands

The demands decided upon in the War Office Aug. 27 conference, include the following items:

1. Yen 130,000,000 for the Manchurian Incident fund.
2. Yen 110,000,000, property readjustment fund.
3. Yen 70,000,000 as the air corps and air defense repletion fund.
4. Yen 80,000,000 as armament improvement fund.
5. Yen 16,000,000 for colonial troops and 20 other needs.

Item "5" already has been asked, it being attached to the request for the basic Yen 200,000,000 annual budget.

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Japan Expected to Denounce Washington Treaty in November

Japan's denunciation of the Washington Naval Treaty is expected to be announced about November 10 after Japan definitely ascertains the views of other nations regarding her demand for naval parity. Preliminary discussions will be resumed in October and, by that time, Japan hopes to be in a position to know where she stands and to have a definite policy to guide her. A large and influential section of the Japanese press has been conducting a vigorous campaign in favor of an immediate flat announcement that the treaty must be terminated at the first legal opportunity. Adherents of this position believe such an announcement, if made immediately, would serve to remove all reason for a compromise at the next naval conference and would limit the conversations to the basic question of whether the ratio system should be abolished by giving Japan complete naval equality. Tokyo newspapers constantly declare equality for Japan is the only acceptable solution. Meanwhile, Tokyo officials are maintaing the strictest secrecy regarding Japan's policy.

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Japan Will Try to Drive Wedge Between Britain and United States

Japan's strategy at the forthcoming 1935 naval conference will be to try to drive a wedge between Britain and America. In printing the message from Tokyo Sept. 4 which envisaged this plan and a statement that the Japanese Government believes that Great Britain and France may support Japan's plan, the *North China Daily News* placed over it the heading, "Amazing Claim by Japan." Further details in the dispatch (*United Press*) were: "Japan's fundamental policy at the forthcoming 1935 conference will be based on the autonomous and equal right of armaments. Since this policy aims at abolishing the Washington and London Naval Treaties, it is regarded as inevitable that the United States will oppose it. It is claimed, however, that Great Britain will agree with Japan's policy in the matter of limiting tonnage of capital ships. Japanese leaders in Tokyo believe that it is possible that diplomatic negotiations will be able to force Great Britain to support Japan's plan. Koki Hirota, the Foreign Minister, has decided to send S. Arivama, a secretary of the Foreign Ministry, to London in a week or two in order to convey to Mr. Matsudaira, Ambassador to the Court of St. James, the government's policy towards the 1935 Naval Armaments Limitation Conference.

Admiral Suetsugu to Be Replaced

Replacement of Admiral Suetsugu, Commander-in-Chief of the Japanese Combined Fleet and stormy petrel in high naval circles by Admiral Osamu Nagano, commandant of the Yokosuka Naval base, was forecast in Tokyo, Sept. 4. The shift will probably take place early in November after the grand naval maneuvers. While the reported change was said by naval officers in Tokyo to be a matter of routine, Admiral Suetsugu having served three years at sea, it was seen by observers as a move to place an officer more moderate in his views at the head of the most important unit of the Imperial Japanese fleet in preparation for the crucial times preceding the 1935 naval disarmament conference. Admiral Suetsugu will be appointed a membe of the naval section of the Supreme War Council. Later advices stated that the entire Navy had expressed the earnest desire that Admiral Suetsugu should remain in harness so long as the country faces an international crisis.

Japanese Will Ask Abolition of Plane Ships

A Tokyo message Sept. 3 stated that complete abolition of aircraft-carriers and a reduction in the tonnage of capital ships will be proposed by the Japanese delegation at the forthcoming Naval Armament Limitation Conference to be held in London. At the abortive Naval Limitation Conference helt at Geneva in 1927, the Japanese Government urged the participating Powers to abolish their aircraft-carriers and reduced the tonnage of their capital ships as well as those of bigger cruisers. Japan insisted at that time that capital ships displacing 35,000 tons with 16-inch guns should be reduced to 25,000 tons with 14-inch guns and that the larger cruisers of 10,000 tons displacement with 8-inch guns allowed under the London Naval Treaty should be reduced to 8,000 tons with-8inch guns.

U.S. to Spend More on Army and Navy Than Japan, Senator Nye Says

The United States plans to spend twice as much on its Army and Navy this year as Japan is spending on her Army and Navy, but another billion dollars is needed for America's naval construction program, Senator Gerald P. Nye from North Dakota, declared Sept. 1. Congress must ignore the fact that Congress has already made an appropriation for the Army and Navy more than double that appropriated by Japan, he said. "These things must be forgotten by Congress and an additional billion dollar naval program to counter Japan's terrible competition must be started next year. "Of course, Japan must raise the ante to keep up with Uncle Sam—and all this is to the good of profit-makers on war machines," he said, ironically.

Japanese Buy U.S. Scrap Iron to Make Armaments

U.S. Department of Commerce records show that 101,293 tons of scrapiron, out of the total of 155,812 tons exported by the United States in July, were shipped to Japan. It is generally believed and much of this scrap-iron is being used for the manufacture of armaments.

The United States Navy Under Scrutiny

The "Washington Merry-Go Round," conducted by Drew Pearson and Robert S. Allen recently contained the following:

Uncle Sam's sea fighting force is being subjected to a quiet but searching analysis.

The study is being made by the Office of Naval Operations, the G.H.Q. of the service and is based on experiences of the fleet in its recent Pacific-Atlantic cruise.

Three major deficiencies have been recorded as a result of the great training tour:

1. Marked inadequacy of personnel.
2. Insufficient sea drill.
3. Over-development of intership competition.

On the first two deficiencies, naval authorities plan to ask the next Congress for relief. Money and authority will be sought to increase the fighting force, and to allow more sea cruising and training.

The third complaint has already been attacked. Regulations drastically modifying cut-throat gunnery and engineering competition between ships have been put into effect, and others will be issued. The lack of personnel and sufficient sea drill, Navy men say, is serious. Practically all the ships, they declare, are undermanned, some of them so badly that they would be unable to maintain battle speeds for any length of time, or to man all their guns. Criticism on inter-ship competition was based on the contention that it had developed to such a point as to be defeating its own purpose. Commanders and men were no longer striving for the utmost in combat efficiency, but to make hight individual scores.

Bandits Wreck C. E. R. Train, Killing, Injuring and Abducting Many Passengers

Ten Japanese passengers were killed, 16 persons seriously injured and 10 others, including an American citizen and a Danish subject, were kidnapped in an attack on a southbound C. E. R. express train at a point about 28 miles south of Harbin at 10.30 o'clock on the night of Aug. 30. The Dane who was taken captive was E. F. Johanssen, manager of the Osaka office of the Metro-Goldwyn-Mayer Corporation, motion picture distributors, and the American was Robert Lury, "Manchukuo" representative of the same firm. Other captives included six Japanese and a "Manchurian." Two of the Japanese who were kidnapped are "Manchukuo" officials.

The Japanese authorities express extreme suspicion that Russians, particularly employees of the railway, were in collusion with the bandits, as not a single Russian was either killed or hurt. *Tass* later mentioned that a Soviet train employee was among the wounded.

J. J. Russell, of the Tokyo M. G. M. Office, had a narrow escape and owes his liberty to the fact that the bandits were unable to smash in the door of his compartment with their rifle butts.

Captives Are Freed

The Japanese and Manchukuo troops got into action with commendable promptitude with the result that all the captives were freed within 60 hours of the outrage. A Japanese military airplane, sent on a reconnaissance flight from Harbin, discovered that the bandits were marching northwest from Wuchia towards Taipingchuang, evidently attempting to reach the banks of the Sungari and seeking refuge in the marshlands. Large detachments of Japanese and Manchukuo troops were sent south in motor trucks in an effort to head off this movement. The Manchukuo river fleet was also mobilized. Some of the brigands were discovered on an island in the Sungari River, some 40 miles south of Harbin. Several gunboats with Japanese marines and soldiers aboard steamed at full-speed to the island where the party disembarked and formed a wide ring. Meanwhile the bandits, finding themselves in a predicament, thrust revolvers into the mouths of their captives and threated to blow out their brains if they moved. A Japanese captive Mr. Murakami, a member of the Manchukuo civil service, considerably embarrassed the bandits by his bravery. When he saw the rescuing party in the distance he jumped up and shouted with all his might to attract notice. Enraged at finding their hiding-place revealed, the bandits fired at Mr. Murakami and wounded him in three places. The rescue of some of the captives took place at a point three kilometers south of Chingfutzu, Chichouhsien, Heilungkiang Province, on the banks of the river Sungari. The spot is about 75 kilometers from Wuchia near where the attack took place. All the rescued were reported to be weakened from exposure and privations and suffering intensely from swollen feet as they were forced to march barefoot because most of them had been captured without any shoes on.

Sixty-seven bandits, armed with two machine-guns of Czechoslovakian make, 50 rifles and six pistols, participated in the attack on the south-bound C.E.R. express, 26 miles south of Harbin on August 30, Chang Yung-lu, 19 year old member of the band who was captured by Manchukuo sailors told the authorities. Three bands, headed by Kiang Tung, Wu Sheng and Ching Hao, united for the attack, according to Chang. The brigands gathered at a point about 10 kilometres south of Wuchia at 8 o'clock on Thursday night and immediately set about to dig trenches and remove a section of the rails, the prisoner said. Several Chinese, including a native of Fukien who could speak English, and others who spoke Russian, were among the brigands, Chang stated.

Still More Bandit Outrages on C.E.R.

Employing fog signals, bandits stopped a west-bound C.E.R. freighter eighteen miles east of Ashiho, Sept. 1. They then turned their guns on the inmates, wounding both the Russian driver and the Chinese fireman. Despite his wounds, however, the driver successfully proceeded east towards Erthientantze.

Yet another outrage on the Chinese Eastern Railway involving the abduction of two foreigners, both Russians, occurred Sept. 3 seven miles west of Hengtaohotze, on the eastern section of the railway, as the train was heading for Pogranitchnaya. The bandits tampered with the permanent way, with the result that the locomotive and several wagons left the metals and were wrecked. After pouring a withering hail of rifle-fire at the train, the brigands commenced a systematic loot in which they took possession of everything of value. On completing their work of pillage, they decamped. No one was killed, but two Russians, both belonging to the train crew were carried off by the bandits.

Japanese Say Total of 64 C.E.R. Officials Arrested

Gen. Hishikari, Japanese Ambassador at Changchun, in a dispatch to Tokyo Aug. 31 stated that altogether 64 Soviet officials and employees of the Chinese Eastern Railway had been arrested by Manchukuo police since the beginning of this year. The majority of the Soviet arrests were made before August 13, when the C.E.R. negotiations reached a deadlock. According to the details given, eighteen men, including eleven Soviet employees, were arrested between April 24 and June 29 by the Manchukuo police and charged with "organizing a terroristic plot against the Japanese military missison at Pogranitchnaya." On March 28, ten Soviet C.E.R. officials were arrested and charged with plotting against the Japanese and Manchukuo authorities. Since then nineteen Soviet citizens had been arrested "for disturbing peace and order, while on May 27 and July 1 a total of 24 Soviet employees were arrested for interfering with traffic on the C.E.R."

Six Manchu (that is Chinese) employees of the Chinese Eastern Railway were arrested at Harbin Aug. 30 as the authorities pushed the investigation into alleged sabotage activities on the eastern branch of the line.

Mr. Hirota Explains Reasons for Arresting Soviet Employees

An attempt to justify the arrest of Soviet employees of the Chinese Eastern Railway was made by Japanese Foreign Minister, Hirota, in the course of his reply September 3 to the Note of protest presented by the Soviet Ambassador, M. Yureneff, on August 22. Examination shows, the Japanese note said, that almost all the arrested men belong to illegal societies aiming to disturb peace and order in Manchukuo, while some of the employes in question issued directions to the bandits and supplied them with explosives to assist them in attacking trains. "It seems natural," said the Japanese Foreign Minister, "that some Soviet subjects should be considered in some way to be concerned in the plots mentioned."

Mr. Hirota amplified upon this theme by charging that the attacks under review had happened only on the eastern section of the C.E.R.; that most of the trains involved were military goods trains; that no attempt was made at looting them and that the victims were mostly Japanese or Manchurians, while Soviet citizens scarcely suffered. All this, he continued, affords testimony that the outrages under review "should not be regarded in the same light as acts of ordinary bandits."

Mr. Hirota emphasized that the arrests under consideration were effected by Manchukuo through the exercise of jurisdiction in regard to plots to overturn military trains on the eastern line.

He declared firmly that there is no connection whatever between the arrests and the suspension of negotiations for the sale of the Chinese Eastern Railway. He then affirmed that the Japanese War Office has never published any statements concerning sabotage plots, as mentioned in M. Yureneff's Note, and said that the Japanese Government must disclaim responsibility for reports appearing in the Japanese press on the subject.

He went on to assert that there is no possible reason for Japan and Manchukuo, as joint custodians of the defence of the new State, to connive in attacks on military trains on the C.E.R., as suggested on the Soviet side.

The Soviet contention that Japanese press reports on railway outrages and arrests of C.E.R. employees indicate intensification of aggressive attempts on the part of certain Japanese official circles is "a complete distortion of fact."

On the contrary, Mr. Hirota called the attention of the Soviet Government to the "irresponsible utterances" directed against Japan by Soviet officials and the publication of their statements by government newspapers.

Japanese Will Deduct Yen 370,000 from C. E. R. Transportation Bill

Field base headquarters of the Japanese army operating in North Manchuria at Harbin informed the management of the C.E.R. on August 9 that it will deduct 370,000 yen from its total transportation bill due to the railway as compensation for the damages suffered by Japanese troops from accidents on the line.

Japanese Torture C.E.R. Employees, One a Woman

According to reports from Harbin published by *Tass*, the Japanese gendarmerie recently released two arrested Soviet employees of the Chinese Eastern railway, Grigoiev and Golovina, the latter a woman who, during the interrogation by Japanese gendarmes, had been subjected to brutal tortures. Statements signed by the physicians of the C.E.R. hospital, Toropov and Fainitsky, show that Grigoriev suffers from considerable haemorrhage and two cross stripes in the region of the right shoulderblade, strong haemorrhage with four cross-stripes and acute pain in the region of the left shoulderblade, and also an inflamed condition of the left ear, resulting from the blows received by him.

Golovina was arrested by the Japanese gendarmerie in Harbin on August 22 and incarcerated in the gendarmerie headquarters.

Sometime later she was called for examination to another building where in the process of examination inhuman tortures were applied to her. Metal bars were put between her fingers, whereupon the fingers were tightly tied with a string, so that she fainted. During the examination she was beaten with fists over her face and head, her hair was torn out, and water was poured into her nose and mouth. All these tortures were performed by Japanese.

Further Pressure Urged on Soviets

The *Harbin Shimbun* in a recent issue urged that all Soviet citizens should be expelled from Manchukuo and the railway handed over to the central administration of Manchukuo railways. The Dairen *Manshu Nippo* declared that after the break of negotiations, the Manchurian side must use "every means in their power to place the C.E.R. in a difficult position, and then the Soviet side will be forced to give up the C.E.R."

Provocative Japanese Actions Against Soviets

A *Tass* message from Moscow Aug. 30, based on reports from Harbin and other places in Manchuria said the provocative anti-Soviet activities of the aggressive Japan-Manchurian circles were becoming even more persistently centered on the Soviet consulate at Pogranichnaya. Charges described as slanderous were made against the consulate, and personally against the consul, Mr. Stelmakh. The newspapers *Harbinskoya Vremia* and *Kung Pao* openly wrote about "the participation of some of the Soviet consulates in Manchukuo" in wrecking activities, and reiterated that "the part played by the Soviet consulate at Pogranichnaya, with the Consul Stelmakh at its head, is particularly outstanding."

In the light of this campaign, the search made by police at the Pogranichnaya railway club on August 27 is particularly worthy of note, *Tass* commented. Although the search gave no result, the club was closed and sealed.

Two Japanese Ambassadors Tour Manchuria

Hiroshi Saito, ambassador to Washington, and Naotake Sato, ambassador to Paris, who are now on furlough, departed from Tokyo September on a tour of Manchuria and China, previous to returning for their respective posts next month. They will spend about three weeks on the trip. The ambassadors intend to study the prospects of the foreign investments in Manchukuo in view of the formation of a French syndicate to invest in Manchukuo and the prospective visit of the British industrial mission to Manchukuo and Japan. In China, the two ambassadors are scheduled to meet General Chiang Kai-shek, Foreign Minister Wang Chao-ming, and other Chinese leaders, and exchange views with them.

The Drift Towards Recognizing Manchukuo

The concerted Anglo-Franco-American recognition of Manchukuo was advocated by the *Echo de Paris* August 22, for the solution of the Soviet-Nippon problem. Negotiations with Tokyo should be opened, based on existing realities, the paper argued.

The London *Daily Mail* in an editorial August 31 urged that Great Britain should recognize Manchukuo.

The Conservative London *Daily Telegraph* August 30 commented, on the occasion of the departure of the British industrial mission that the "swift and efficient development of Manchukuo is in the common interest."

Koreans Arrested on Assassination Charge

Three Korean graduates of the Nanking Military Academy, and several others were arrested last week by the police in Heianhokudo Province on a charge of attempting subversive activities in Korea and Manchukuo. Following receipt of information that many Koreans and Chinese had been sent to Manchuria and Korea for the purpose of instigating an anti-Manchukuo campaign, the police started a man hunt in every province. The authorities charged the arrested Koreans with plotting the assassination of high government officials.

Three Japanese guards and two "Manchukuo" "militia" guards were killed, and two Japanese guards, and 10 Manchukuo militia guards were wounded as a result of a fight between the Otani family industrial research corps and a group of about 200 bandits at a point south of Hsingching August 16. Ten other guards are missing.

Four Japanese and 60 "Manchurians," passengers in two buses, were abducted by bandits numbering about 50, and a Japanese woman was killed, between Shanchengchen and Liuhochen, August 21.

New Rival For C.E.R.

A new railway connecting Harbin with a point 180 kilometres eastward of Changchun was officially opened Sept. 1. It is expected that the new line will seriously affect the business of the Chinese Eastern Railway, as exceptionally low freight tariffs are to be established in accordance with the policy of rendering the C.E.R. unnecessary commercially or strategically.

Martial Law Declared in Shanhaikwan

Martial law has been declared in Shanhaikwan in apprehension against an invasion by an overwhelming force of bandits now terrorizing Chiumenkow and Shihmenchai, some distance north west of the bordertown between Hopei and Manchukuo. The widespread bandit scare in the Luantung zone is declared in official Chinese circles to be the worst problem awaiting solution.

"A Relationship Unlike No Other"

Tokyo *Kokumin* in a discussion on "Reform in Manchuria" among other things states :—"One point liable to be forgotten by those discussing the position of Japan in Manchuria is the special nature of our relations with Manchukuo. The Japan-Manchukuo relationship is not like that which exists between any other two countries."

Captain Kanshiro Oshima, Chief of the Second Section of the Military Affairs Bureau of the Navy Office, has been appointed Chief of Staff of the Japanese Navy in Manchukuo in succession to Captain Seiitiro Fujimori who was simultaneouly appointed Captain of the warship *Iwate*.

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There Is Still Business for the British in Manchuria, Correspondent Says

The statement that the "open door" in Manchuria means the "open door" to get out only is refuted by F. H. Bert in a letter from Harbin appearing in the *N. C. D. News* Sept. 4. Out in a country of such vast expanse and with a steadily growing population it is absurd, he says, to state that there is no room for foreign firms to work in it as easily as they do in Japan. All those goods in which the Japanese manufacturers are not competing very strongly must find a ready market in the country, besides which there are always proprietory articles which are bought just as much by the Japanese as by native "Manchus" and which must find purchasers throughout the whole of the country. Though many of the larger British firms have closed their offices in Harbin and left the country for good, there are still British commercial men left in Harbin who have resided there for many years and who know exactly what goods can be better sold and know under what conditions such goods can be placed. The small British evening paper *Harbin Observer*, which is the only English language paper in North Manchuria and which has been established there for more than ten years, has lately began to increase its circulation and just published a new directory of Manchurian cities, which is the first English directory of the Manchurain Empire, giving the names of the leading commercial firms in the country.

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American Opinion on Manchuria Changing, Ambassador Saito Says

Hiroshi Saito, American Ambassador to the United States, writing in the *Bungei Shinju*, says :—"American appreciation of the Manchurian issue is growing. Aside from the things Japan has done, would it not be better to let things go as they are if things go on progressing soundly? Such is the opinion gaining among the more enlightened elements in the United States. . . . I don't think the immigration issue is a very difficult problem to solve. Diverse opinions are expressed in America as to the advisability of the discriminatory law against the Japanese but the latest trend of opinion is in favor of application of the quota system to Japan."

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American Newspapermen to Make Tour of Manchuria

A party of American newspapermen who, it is said, have been furnished with free transportation, will arrive at Yokohama on September 18 from San Francisco on board the N. Y. K. liner *Chichibu Maru* for an inspection tour of Japan and Manchuria. The party will spend the first half of October in Manchuria. It is scheduled to depart from Yokohama for the United States on another Japanese steamer sailing Oct. 25.

The members of the party include Arthur J. Sinnott of the *Newark News*, F. Gilligan of the New York *Sun*, Lowell Mellet, of the *Washington News*, J. Roscoe Drummond of the Boston *Christian Science Monitor*, Carrol Binder of the *Chicago Daily News*, Elzey Roberts of the St. Louis *Star*, Wilbur N. Burkhardt of the San Francisco *News*, George Cameron of the San Francisco *Chronicle*, Bailey Millard of the Los Angeles *Times*, Philip Jackson of the Portland *Journal*, Frank Elihu Tripp of the Rochester *Times Union*, James Thomas William Jr., of the Hearst Newspapers, James Hammond of the Memphis *Commercial Appeal* and Willian A. Lydgate of *Time Magazine*.

Manchurian Reorganization Plan May Cause Japanese Cabinet Crisis

The question of reorganization of the Japanese administrative system in Manchuria and the Kwantung Leased Territory is expected to cause another political crisis, as the Ministries of War, Foreign Affairs and Overseas Affairs adhere firmly to their divergent views. Retsu Kawata, Chief Cabinet Secretary, working as the mediator, tried to settle the dispute by calling a joint meeting of bureau and sectional chiefs of these three Ministries in Tokyo Sept. 4. This attempt failed, however, as the War Office announced that it would not be repreeented at the conference, which military leaders thought absolutely useless. Premier Okada is stated to be quietly watching developments in the situation in the fear that his premature intervention may cause a difficult political question. He appears much worried over the situation. Gen. Hayashi, the War Minister, expects some statement by the Premier on the question shortly, it is said. In case the Premier continues to remain silent, the War Minister will again demand that the War Office plan be put into effect in the near future.

Manchuria and Jehol Smuggle Opium Southward

Huge consignments of opium are being smuggled into China from Manchuria and Jehol through the Great Wall passes and under Japanese military escorts, the official *Central New Agency* reports from Tientsin. During the last few days, more than 300,000 ounces of opium have been sent into the Hopei province through the Great Wall passes, which are still under the occupation of the Japanese military forces despite the Tangku Agreement and the Dairen Conference in which an agreement for the early retrocession was reached. On one day alone five trucks entered the Hopei Province through Malanyu pass with 290,000 ounces of opium, bringing the total of opium consignments thus smuggled to nearly 600,000 ounces, according to the reports. With armed Japanese soldiers protecting the consignments, the five trucks reached Tientsin unmolested, the agency report added.

A Japanese by the name of Okamoto and a Korean named Li Chong-huan were arrested at Tsunghwa, Hopei, near the Malanyu pass recently on charges of being leaders of the drug ring and are being taken to Peiping to be handed over to the Japanese Legation for trial. Three Chinese, arrested and charged with patronizing the establishment, were turned over to the Tsunghwa authorities for punishment. Thirteen parcels of heroin, nine ounces of opium, a box of morphine and a large quantity of smoking and injection paraphernalia were seized by the officers who raided the premises.

Police Official Executed at Peiping—Dealer Executed at Nanking

The execution at the Bridge of Heaven in Peiping, Sept. 7 of Yin Huan-ian, chief of a police station in the heart of Peiping, ended an illicit drug trade in which the culprit is estimated to have amassed a fortune of $300,000. Yen, who was in his early fifties, had been connected with the police for a period of twenty years. According to the evidence against him, he tampered with seizures of drugs by the police in order to retail doctored supplies, which were sold by an accomplice, A constable named Ting Chin was also executed at the same time. Both men were Manchus. The executions were carried out under instructions from General Chiang Kai-shek himself, in accordance with the new regulations for the punishment of drug traffickers. Ting Chin was known by the nickname of Kuo Yen Wang, or Living King of Hades.

In accordance with instructions from General Kai-shek. Wang Min-chung, a 26-year-old Chinese, who was found guilty of dealing in morphia pills, was executed in Nanking Sept. 3.

The death penalty will be meted out to any dealer in opium, morphine, cocaine, heroin, or "red pills," according to an order issued by the Hopei Provincial Government. Any one found guilty of opium smoking will be arrested and confined in a home for the cure of addicts. If the same person, after release, be found guilty of committing the offence again, he will be put to death, the order states.

Military to Have Full Charge of Opium Suppression

Opium suppression in the ten provinces of Kiangsu, Chekiang Fukien, Anhwei, Kiangsi, Hunan, Hupeh, Honan, Shensi, and Kansu will henceforth be dealt with by the Provisional Headquarters (in Nanchang) of the President of the Military Affairs Commission, according to a dispatch from General Chiang Kai-shek. Estimates of expenditure for the work of opium suppression in the various provinces, the communication states, must be submitted, through the Provincial Governments concerned, to the Provisional Headquarters, within one month for approval. A detailed report on the work of opium-suppression, including an account of the fines imposed and funds expended, the communication continues, should be drawn up by each Provincial Government and submitted to the Headquarters at the end of each month.

Kweichow as an Opium Supplier

It is stated in an article in the *Central China Daily News* that in Kweichow out of a total population of 11,000,000, nearly half of the number are opium addicts. But in recent years, opium smokers in Kweichow have decreased considerably as a result of economic depression and the poor people cannot afford to take opium. Even admitting that only one-third of the population in Kweichow is smoking opium, and each taking two ounces of opium a day, 3,000,000 people would consume 216,000 tans (a tan is equivalent to 1,000 ounces) in a year. The annual export of opium from Kweichow is 200,000 tans. This means that in Kweichow alone more than 400,000 tans of of opium are produced each year. A tan of opium is worth $200 and the total opium production of opium in Kweichow is worth mere than $43,200,000. Strictly speaking, Szechuen is the best opium-producing province in China; Yunnan comes the second, and Kweichow third. The value of opium has depreciated considerably during recent years. Four years ago a tan of best opium was worth from $700 to $800, but now the best opium can be sold for $300 at most. The products in Kweichow are exported to Kwangsi, Hunan and Szechuen and each year Kweichow can sell from 60,000 to 70,000 tans of opium to each of the three provinces. But recently as a result of the imposition of a heavy opium tax the export to these provinces has been considerably decreased.

Statistics of World's Narcotic Production

Large quantities of crude opium were confiscated in 1933 in France, U.S.S.R., Hongkong, India and China, according to a report published at Geneva, Aug. 24 by the League Permanent Committee on Opium, after its August session closed at Geneva. The number of cocaine producing countries increased from 20 to 21, because of the resumption last year of cocaine manufacturing in Formosa. Over one ton of morphine or about 90 per cent. of the world production was manufactured in 1933 by Great Britain, France, Germany, Switzerland, U.S.S.R. the United States and Japan. Great Britain, France Germany, Switzerland, Japan and Korea contributed last year 96 per cent of the world production, or, in other words 1295 kgs. of diacetylmorphine. Belgium, Great Britain, Germnny, France, Holland, Switzerland, the United States and Japan produced 3773 kgs. of cocaine, i.e. 94 per cent. of the world production.

Postal Employees Show Resentment Against Exclusion from Convention—"Go Slow"

As a protest against the action of the National Postal Convention in session during the week in Nanking to allow representatives of the postal employees to attend its sessions the members of the Executive and Supervisory Committees of the National Postal Workers Trade Union and the National Postal Employees Union, resigned *en bloc* Sept. 2. The officers of the two postal organizations wield a controlling power over all the postal workers throughout the nation. Postal employees in Shanghai are "going slow."

The National Postal Conference opened at Nanking, Sept. 1. Chu Chia-hua, Minister of Communications, came from Kuling by plane to attend the Conference.

H. E. Arnhold Defends Shanghai Municipal Council in London Newspaper

In the course of a letter appearing in the London *Morning Post* September 3, H. E. Arnhold, chairman of the Shanghai Municipal Council, refuted assertions made by the late William Martin in "Understand the Chinese," that "there is hardly a Chinese..." on the Council. He also refuted M. Martin's allegation that "foreigners, even if caught know that they are able to explain all to their consul. This gives them a strong sense of security against the law." Mr. Arnhold described this statement as a gross slander on foreign justice in Shanghai. He pointed out that the Shanghai Municipal Council has already given effect to some of the recommendations made by Justice Feetham, but added that the more important ones can only be achieved by agreement between the Powers and the Chinese Government.

National Child Welfare Association Holds Semi-Annual Meeting

A report of the activities of the National Child Welfare Association of China for the half year ended June 30, 1934 was presented by the general secretary, Jabin Hsu, to its members at the sixth semi-annual general meeting held Aug. 24 at the Sun Yat-sen Memorial Hall in Shanghai and presided over by Dr. R. Y. Lo, first vice-president in the absence or Dr. H. H. Kung. During the month of Aprll, May and June, the Clinic had cured 1,833 children, beside giving baths to needy children and making home visitations. Following the general secretary's report, Ling Kong-hou, treasurer of the association, submitted his report of the financial condition for the half year ended June, showing that the total receipts amounted to $69,557.60, total expenditures $26,707.43 and with a net balance of $50,408.71.

Another View on the Strategy of the Russo-Japanese War

(By the Review's Harbin Correspondent)

THE reading, in the July issue of *Foreign Affairs* of an extremely authorative article on the strategy of the much discussed Soviet-Japanese war (reprinted by *The Review* in the issue for August 11,) coming from the pen of such a specialist as Capt. T. J. Betts, formerly assistant military attache to the American Legation in Peiping, gives much food for thought. In said article, the author masterfully brings home to importance of operations in the direction of Vladivostok and Trans-Baikal regions, saying that, in many respects, the outcome of the entire campaign will be decided by battles to be fought in these important

Map Showing Soviet-Manchurian Border, With Railway Connections

strategic directions. The correctness of this argument seems to be so obvious that no student of the situation can possibly refute it. Yet, equally obvious seems to be a certain correction to the whole argument, especially concerning the operations to follow immediately after the outbreak of war. Capt. Betts expects that from the very beginning of hostilities till the end of war the Red Army will follow defensive tactics. However, in my opinion, the Red Army has in recent months so augmented its man and material power in the Russian Far East that it seems to be able to adopt independent decisions and to pursue them even in the face of continued Japanese onslaughts. It is the conviction of this correspondent that, at the beginning of hostilities, the Red Army will show sufficient activity, especially in a certain "front," not mentioned by Capt. Betts in his article. It is another way of saying that the Red Army will not follow the age-long tactics of the Imperial Russian Army to retreat before the advancing enemy; on the contrary, one is inclined to believe that the Red Army will, at the very beginning, engage the Japanese in a series of battles in a certain strategic direction, the importance of which I will try to bring home to the readers in succeeding lines.

I do not mean to refute or minimize the importance of operations in Trans-Baikal and Vladivostok regions, because in case of serious reverses in the initial stages of hostilities, the Red Army will have to fall back upon these positions and await there the decision, in which respect the fortifications already built and to be strengthened later will play no small role. With its present man and material power, accumulated by the Red Army in Eastern Siberia in recent months, especially since the double-tracking of the Trans-Siberian Railway, it will be—in my opinion—simply a criminal action on the part of the Red high command not to try to wrest the initiative of action from the Japanese aggressors. Therefore, it seems to be almost probable that the Red command, since the very start of hostilities, will launch a series of onslaughts, not being content to play the role of a receiver of Japanese "shocks."

Red Army Cannot Be Taken Unawares

Strictly speaking, the Red Army cannot be taken unawares. Judging from authoritative reports, it has been brought to war footing and disposed along the frontiers in such a way as to be brought to battle array almost at a moment's notice. The Japanese Army, on the contrary, has not yet been concentrated along the frontiers, not counting the occupation by its units of certain populated and strategic points along the borders of Manchuria. And it should be assumed that the concentration of the Japanese Army units along the frontiers in numbers required for crossing the frontiers and engaging the Red Army units in front of them in serious battles cannot pass unobserved by countless Soviet spies, infesting—it is believed—the frontier district. So, any unusual concentration of Japanese troops in certain points along the frontier, as well as the unusual movement of troops and supplies in the interior, will forewarn the Soviets of the impending attack, so that the Soviets will undoubtedly take measures to absorb "the shock" and to carry out their own independent course of action. The Red Army has to such extent been forewarned by the sabre-rattling of Japanese militarists, their press, and provocations of Manchukuo-White Russian agents, that any possibility of its being taken while in bed (as were the Chinese troops in the night of Sept. 18, 1931) or during the drinking and dancing bout (as the Russian officers at Port Arthur in the night of February 8, 1904) should be excluded. If, after all what has been said and written, the Red command allows itself to be taken completely unawares, then it deserves to be court-martialled and shot by a firing squad (if we are to believe what is said about the O.G.P.U., it will also see to that).

The probability of the Japanese attack on the Red Army with their present force of four divisions in North Manchuria should be excluded, because this force is too small to attain any success in its operations in Siberia. To begin an aggressive war with so small a force would be nothing short of madness. It means that, if the Japanese should wish to take the initiative from the start (history shows that they have steadfastly done so in the past), they will have to increase their present army in North Manchuria up to par with the strength of the Far Eastern Red Army, say up to 400,000 effectives. Considering the peace time strength of the Imperial Japanese Army, it must be admitted that, in order to attain this strength of its army in Manchuria, they will have to call to the colors a certain contingent of reserves. And the movement of this huge army, with all its supplies, cannot go unobserved; if discovered it will simply mean war.

As I have said, before falling back to the Vladivostok and Trans-Baikal fortified zones, the Red Army will have received a serious set-back. In my opinion, the Red Army, with the start of hostilities, will try to wrest the initiative of action in one principal "front," in the direction of Harbin and Tsitsihar, delivering "a shock" right across the Amur River. Thus, it would appear that the outcome of the initial phase of warfare will be decided by battles to be fought in this important strategic direction. Only having been defeated in these operations will the Red Army fall back upon Vladivostok and Trans-Baikal positions. To assume this view there are a number of important postulates:—

Some Important Postulates

(1) As Capt. Betts rightly asserts, being poorly endowed with farming possibilities, the Soviet Far East, especially the provinces of Amur, Maritime, and Sakhalin, cannot maintain a huge fighting force. Though a huge country, this region has a very small population. Farming is possible only along the Amur River and its tributaries on the Russian side, the Zeya, the Ussuri, and around Lake Hanka. Even in the best of years, this region has never exported grain, being always dependent upon the supplies coming from Western Siberia. The autonomous district of Biro-Birjan, lying below Habarovsk, and on which the Soviets look as on a possible source of grain and livestock, has not yet proved itself to be of any value from the standpoint of making the Amur region

self-supplying with farming products. Strictly speaking, Birobirjan has begun to be settled only this season, and as such has been a liability rather than an asset.

Whilst the Soviet side of the Amur and the Ussuri rivers is generally an endless sea of tangled woods and rolling hills, where human settlements are rare and far between, the Chinese side, especially in the lower reaches of the Sungari River, is densely populated, more densely than the Russian side of the Amur. Farming is thriving here, soya bean, wheat, and kaoliang being principal crops. Every year, the crop begins to appear on the market in November; since then, it is carted by natives towards Harbin and the eastern line of the C.E.R., but a good part thereof, approximately a million tons, always remains in the region till next navigation, which opens early in May.

Such being the case, it is extremely likely that the Red Army will, at the very beginning, make a valiant thrust across the Amur River, its objective being the occupation of the fertile Sungari valley, at least of its lower reaches. In this respect, the present strong fortifications, said to be built on the Soviet side, will serve as a base of operations, at least to fall back upon in case of reverses. Simultaneously with it, the drive for occupation of the Lower Ussuri and the upper reaches of the Nonni rivers seems to be inevitable.

(2) It seems that the Manchurian side of the Amur and the Ussuri rivers is not fortified, at least to the extent that it has been done by the Soviets. If such fortifications have been made, they must have been built at isolated places, in important strategic points, and certainly not throughout the length and breath of the frontier, as the Soviets are reported to have done. It occurs that, if said fortifications are built on the Manchurian side, they must have been built, or are in the process of being built, some distance away from the Amur River, along the Little Hsingan Mountains, and certainly at all strategic passes in these mountains. Just the same refers to the fortifications in the Tienboshan Mountains, running along the eastern frontier. It would be folly on the part of Japanese strategists, if they have not already fortified the Sansin (Ilan) district, the meeting place of these two mountain ranges. Besides, the region of the Little Hsingan Mountains has no strategic railway, if not to mention a branch line being now built from the Keshan-Hailung line towards Taheiho (at present, the work is seriously impeded due to the outbreak of anthrax, over 2,000 horses having died from this epidemic).

(3) The valiant thrust of the Red Army in this front becomes all the more probable, because the regions of the Lower Sungari and the Ussuri rivers, and vast territory lying in between these two rivers, have proved to be extremely difficult to conquer by the Japanese. As a matter of fact, warlike operations between the Japanese-Manchukuo forces and "bandits," started early in 1932, continue up till now. This state of things has been mainly due to the hilly nature of the country, with its countless rivulets, hills, covered by dense forests, all of which coupled with the absence of good roads, have hampered the operations of the regular army against guerillas. Therefore, there seems to be a good reason to suppose that, with the outbreak of war, the entire population of these regions will rise in arms against their own Manchukuo authorities and their supporters, the Japanese. Simply, the entire population will overnight turn "bandit" and help the Red Army in all possible ways. In view of this, a temptation will be great for the Red command "to extend a helping hand" to Manchurian volunteers, operating in this region, which at the same time would mean the "carrying of war into the enemy's territory," as Comrade Blucher once said in a public address.

Soviets Would Occupy Amur Valley

From the foregoing it would appear that, almost within a week after the start of hostilities, the Red Army would likely be battering from its present positions along the Amur and the Ussuri rivers directly in front of it, its main objective being the occupation of the entire Amur valley and the lower reaches of the Sungari River (possibly the upper reaches of the Nonni River, too). If it successfully reaches the Little Hsingan Mountains and entrenches therein, or even along the base of the range, its objective will have been reached: it will be taping the resources of a rich farming land, inhabited by a friendly people, ready to extend any kind of assistance. The food problem, even now hanging heavily upon the mind of the Soviet leaders, will then lose its accuteness, at least for a few months. Once having reached this mountain range, the Red Army will have secured the safety of its rear, especially the smooth operation of the Amur Railway, the strategic importance of which is self-evident.

In this connection, there is likely to arise the question, would it not be correct to think that the first Japanese offensive will be launched in this direction with a view to cutting the Amur Railway and breaking the entire Soviet communication system? To think so seems to be quite appropriate. The Japanese are likely to make a bid for supremacy in this front, in which case they will have to move a huge army and engage the Red Army in a series of battles for the occupation of the left bank of the river (strongly fortified). In that case, the Japanese will have not only to dislodge the Red troops from their fortifications, but drive them further into the hinterland, across the extremely hilly country, covered by tangled and nearly impenetrable woods, before they will have reached the railway. The Czarist builders of the railway had seemingly foreseen this possibility and laid it sufficiently away from the frontier and through practically impenetrable *taiga* (forest). Therefore, it seems correct to assume that the reaching by the Japanese Army of the Amur Railway will mean the complete breakdown of the Soviet resistance in this sector and the beginning of the second and final stage of the struggle—the rolling of the Red Army towards Vladivostok and Trans-Baikal positions.

There is also a good reason to believe that the successful "cutting" of the Amur Railway and the partial occupation of the territory by the Japanese Army will not mean the end of the Russian resistance. On the contrary, it will add considerable difficulties for the Japanese command to keep the railway or part thereof in running condition, as well as to keep peace and order in the territory of occupation. It must be assumed that as soon as the Red Army is dislodged from the Amur region and is "rolling" back towards Vladivostok or Trans-Baikal region it will leave behind a considerable force of guerillas to harass the Japanese and White Russian forces of occupation. With bases and supplies buried in the depth of the Amur forests, these guerillas, commanded by men experienced in such operations, will considerably harass the rear and supplies of the forces operating against the Red Army, then entrenched on the Vladivostok and Trans-Baikal directions. To all this we must add the necessity of supplying the army of occupation as well as the local population with provisions from Manchuria, because, as a result of protracted warfare in the Amur and the Ussuri valleys, the population will have been left practically without food or forage.

From the foregoing it would appear that, in the first stage of warfare the Amur front will have predominant importance, overshadowing the operations in any other strategic direction. The Russian offensive on this front seems to be all the more probable if the war breaks out in winter. The frozen river does not represent big difficulties for its crossing, which would not be the case if the crossing had to be undertaken in any other season. Besides many other advantages for the Russians, too obvious to mention here, in winter, the operations of the Japanese Navy would be seriously hampered. Then, the fleet will not find a single landing place on the Siberian coast.

Finally, there remains a question asked nowadays by many a person, when, after all, are we to expect the breaking out of this much talked-of war? The correct answer to this timely question is certainly in the laps of the gods. Minor war, the war of espionage services is already on; from the military point of view, the recent arrests of the Soviet citizens in Manchuria is the weeding out of possible Soviet spies. It is, therefore, a war of one espionage service against the other. Generally, never have the Soviet-Japanese relations been so tense as now, so the slightest provocation on either side might lead to a conflagration.

Harbin, August 30, 1934.

Strange People, These Japanese

(*New York Daily News*)

We do a good deal of thinking about the people of Japan, but the only conclusion we have yet been able to reach is that they are a strange people indeed from a Western point of view.

For instance their reaction to President Roosevelt's recent Hawaiian trip. The President went out there to look over a territory which belongs 100 per cent. to the United States. Yet the Japanese complain that he didn't make some sort of concession to them in his main speech at Honolulu.

What sort of concession would he have made, or could he have made? Offer to split the Hawaiian Islands with Japan? That's the only kind of concession we can think of that would have meant anything. How would the Japanese feel if we should hint that they ought to make such a concession to us in the mandated Pacific Islands which they have held and fortified in direct contravention of the Versailles Treaty?

Then, there is the argument started by Secretary of the Navy Swanson's remark the other day that if we would all reduce our navies 20 per cent. we would all keep the same relative sea power while saving money.

The Japanese dismiss this trial ballon on the ground that for them to reduce their navy along with everybody else would injure their dignity somehow. Pretty subtle.

It is no more subtle, though, than Japan's announcement a week or so ago that Japan won't ask for naval "parity" with America and Britain at next year's naval conference, but will only ask for "equality." If you can figure that one out, your's good.

English to Be the Official Language of the Philippines

That English be made the one official language throughout the Philippine Islands was unanimously recommended August 25 by the Committee on Education and various other prominent local officials. The recommendation was made by reason of the fact that English is the only language which has been spread throughout the archipelago, whereas Spanish is considered to be the language of a cultivated elite.

The Revival of Confucianism

BY PAUL K. WHANG (莊 仲 方)

CONFUCIUS, after having been relegated to the background for the past seven years, has once again resumed his place of honor as China's greatest philosopher. Just as he was vociferously denounced seven years ago by the Kuomintang Party who held that inasmuch as loyalty to the sovereign was the corner-stone of his ethics, Confucianism and Republicanism were non-compatible, he is now highly and profusely eulogized by the same Party for the soundness and worthiness of his analects. For the first time since its establishment in 1927, the National Government has recently ordered that Confucius' birthday anniversary be observed as a national holiday. Thus on August 27, the designated date for birthday celebration (I use the word "designated," because Confucius' birthday actually falls on the 27th day of the eighth moon of the old Lunar Calendar), the government despatched special envoys to visit the "Sacred City" in Chufu, Shantung, to tender national respects to the Great Sage, and officials everywhere throughout the country held appropriate commemoration services in accordance with the government order. Incidentally, it may be of interest to mention that this order of the National Government was universally observed in China without exception.

That Chinese civilization has been very much influenced by Confucius' teachings can notbe gainsaid. While a few of his teachings may sound obsolete and non-compatible with Republicanism, many of his doctrines, however, hold good all the time. Allowance must be made that Confucius was living at an age when monarchy was the popular form of government institution, and therefore it was only natural that he should place loyalty to the sovereign as a virtue above all other virtues. To denounce his whole teachings simply because of this non-compatibility bespeaks our prejudice, which, it must be said, is the common fault of the revolutionists, who are apt to destroy everything which is old and established when their revolutionary fervor runs high.

To the lovers of Chinese civilization, Confucius' teachings, in spite of the change of time, can be still applied to our individual life to good advantage. This is especially true in respect of the code of conduct laid down by the Great Sage. Therefore, while his political theories may become an anarchronism, his moral teachings have gone through the test of time and retained their worthiness.

Filial Piety Has Lost Its Meaning

In our present mad rush for Western fashions and superficialities we have despised old virtues and teachings and cast them to the winds. Filial piety, an examplary virtue of ancient Chinese, has gradually lost its meaning to the people of the present generation. The four-word motto, "Li (politeness), Yi (righteousness), Lien (purity of conduct), Chih (consciousness)" has not even been observed by the officialdom. Confucius' teachings are said to be fallacious and responsible for the misfortunes of the country. As a result, the foundation of our civilization has been shaken and we are now faced with a serious moral crisis.

It has been even contended that the most serious crisis which China is facing today is not the political one but the moral one, because the former is but a product of the latter. All the weaknesses and evils of our present government result from the decline of morality and ethics among the people in general and the officials in particular. We have been warned that in face of the present economic crisis arising from the unfavorable balance of trade, we must follow Confucius' doctrines of leading a very simple and frugal life and refrain from indulging foreign luxuries. We have also been reminded that as a means of establishing a strong government to meet foreign aggressions, our officials must be conscientious enough to discharge their duties honestly and faithfully, and observe old teachings regarding official morality and ethics.

Possibly on the strength of this belief, Gen. Chiang Kai-shek, many months ago, initiated the present New Life Movement with a hope of averting this serious moral crisis. To lead the people to a New Life, a code of conduct consisting of more than 100 articles has been published and criculated among the populace, and the above-mentioned four-word motto "Li Yi Lien Chih" has been adopted as the watchword of this movement. Be it noted that most of the articles of this code of conduct have been borrowed from the rules of conduct laid down by Confuscius. Therefore it will be more appropriate to call it a "Return-to-the-Old-Life" Movement.

This New Life Movement would become meaningless, if the Sage whose teachings have been embodied in this movement should be continuously held in ridicule. Thus to give an impetus to this movement, the government has now adopted the policy of "Returning to the Confucius Standards." Confucius and his teachings, in spite of denounciations and condemnations during the past few years, have still held a spell over those who have stood by old beliefs and ideas. These people of the old Confucian school, if we may call them, still constitute a great majority throughout the country. Therefore the revival of Confucianism will add strength to the New Life Movement to arrest the decline of morality and ethics among the populace.

Wang Ching-wei, president of the Executive Yuan, in his speech on the Great Sage at a memorial service at Central Party Headquarters, said, "Without a common belief or a common objective, no nation can long survive." From this we can deduce that the National Government has now definitely reverted to the old standard by adopting Confucianism as the common belief of the Chinese people. In this connection, one might ask: What will become the San Min Chu I which the Kuomintang Party has hitherto declared as the only belief which the Chinese people should hold?

In their enthusiasm to revive Confucianism, the government leaders, besides issuing an order to hold memorial services on Confucius' birthday anniversary, have also considered measures to restore all honors, respect and privileges to Confucius' direct descendants. It has been suggested that a new title be conferred upon the present head of Confucius' family, that the status of 100,000 mow of tax-free farms given Confucius' family be revised, that an appropriate ceremonial program be fixed for rites honoring the great philosopher, and that an appropriation be made to remodel the Confucius' temple in Chufu. We will not be surprised at finding that the birthday anniversary ceremony next year will be even more elaborate and on a much larger scale than that we have just witnessed.

An Encouraging Sign

It is, of course, a very encouraging sign that our Party and government leaders, after seven years' vain attempt to create a new order of things for China, have become sober-minded and have turned their thoughts to the teachings of a man who lived about twenty-four centuries ago. They have come to the realization that we have our own civilization which we must keep intact in face of the invasion of Western culture. They have also acknowledged that China's weakness does not lie in the faults of our own civilization, but in the fact that we have failed to observe to letter and spirit of old teachings, upon which our civilization was based.

But to reverence Confucius is one thing, and to carry out his teachings is another matter. We can not avert our present moral crisis by merely conducting elaborate ceremony on Confucius' birthday anniversary and restoring honours, respect and privileges to Confucius' direct descendants. This form of reverence borders on idolatry, which will become a course instead of a blessing to China and her people.

In view of the present enthusiasm on the part of government officials in reviving Confucianism, we have reasons to expect that they will lead the people in following Confucius' teachings in their mode of life. As a matter of fact, officials of the present day are more in need of moral teachings than the common people, because our present misfortunes are but a product of maladministration of state affairs. We can not establish a "clean and honest" government, unless our officials can religiously follow Confucius' four-word motto, "Li Yi Lien Chih," and always place the welfare of the people above their personal interests.

Likewise, in order to lead the people to a New Life, the officials themselves should set a noble example for the people to follow. It is absurd that while the officials themselves indulge in all kinds of luxuries, they should enjoin the people to live a simple and frugal life. In a word, the noble examples set by the officials will exert a much stronger influence upon the people than the government proclamations and orders. It follows that if the government officials deem that the revival of Confucianism will become a strong force to arrest the decline of morality and ethics among the Chinese people, they should immediately adopt Confucius' teachings to their mode of life.

Shanghai, September 3, 1934.

How Failure Came to China's New Deal, Tried Centuries Ago

The *Chicago Tribune*, which has from the very beginning been a strong critic of the Rooseveltian policies, in the Sunday issue of August 5 prints an article by Arthur Sears Henning, under the title "The Tale of Wang, the Brain Truster." The story relates to the year A.D. 1067, when a Chinese Emperor tried the New Deal upon the advice of the then prime minister Wang An-shih. It was a time when business in Chin was disorganized, unemployment was general and agriculture was in a bad way. In the end the rich were wiped out, the government's funds were squandered, and confusion, chaos and collapse ensurd. As a result the New Deal was dropped, and China resumed its conservative ways for centuries—until the Revolutoin of 1911 again changed the course of events.

Some Folk-Customs in China

BY FENG YU-SING (馮 餘 聲)

CHINA is the home of feudal brutalities. This is truthfully mirrored in the old practices of marriage now prevailing throughout the country.

With the advance of culture and the growth of economy in China during the present decade, progress has been marked in big cities in some directions, particularly in the change of the form of marriage. It is almost a tendency among the rich and advanced families now to handle weddings in the western manner. The smart set even go to the length of handling their love affairs their own way.

As to village life, things are indeed different. Marriages in most cases are solemized according to old custom inherited from the medieval past. Some think that it is geographical disintegration that cuts the countryside apart from town life. Others say that cultural backwardness in the countryside is the reason. Whatever the truth, marriages in the countryside reveal the existence of the feudal legacy in our cultural life.

Let us take almost at random some instances of the folk-customs now existing in the backward sections of China. The writer is dealing with these simply from the point of view of a sociologists.

The Hard Fate of the Foster Daughter-in-Law

One of the most inhuman practices of marriage can be seen in the interior, especially in the western sections of China. Usually a girl of about seven or eight, sometimes even younger, is engaged to a boy, without the consent, of course, of the girl. The boy husband, in most cases, is not of the same age, may be three or five years younger than the girl. Obviously for financial reasons, the girl wife is to be brought up in the family of her future husband. So the girl wife serves, among other things, as a nurse to her husband.

She is not treated as a daughter in the new family. No. Like a slavegirl or an unpaid little handmaid, she labors at washing, cooking and everything that she is considered able to do. Imagine a little girl who has lost every chance of playing as she should at her age, destined to work and continue to work in a family with which she is not familiar.

In a poor family, the foster daughter-in-law, among other things has to do work on the outside, for instance, serving in a rich family as maid-servant in order to earn money for the family. Every cent she earns goes to the family. From the beginning to the very end of her life, she is a slave; first a slave girl, then a slave wife, then to a slave mother.

Leasing the Wife Into Practical Slavery

Here is a real type of slave wife.

No one would care to allow any other person to have rights over his wife—for how can any one's wife be so treated? In the mind of a Chinese, feminine faith always is the first consideration. But the practice of leasing a wife for money as here dealt with is the exact opposite.

This practice, however, is confined to one or two places in China, possibly in Chekiang. The writer does not consider it out-of-the way to relate it; for, if it is a folk-custom, there must be some economic conditions in favor of its survival. The explanation, of course, is the poverty of the peasants.

When one is not financially able to keep his wife at home, he may lease her for money to any rich family. This is made in the form of an agreement, through the help of a match-maker (generally a woman) who will be paid for her services by both parties.

Some would doubt of the willingness of the wife herself in agreeing with her husband to do that. It must be understood, however, that owing to the ignorance and economic dependency of most of Chinese peasant woman, it is easy for a husband, who is the boss of the family, to have every right over his wife. Ignorance makes faith. So in this way the story runs.

The lease usually runs from three to five years. The leased woman must bear a child and obviously it must be a son, during the period of the lease. If no child is born within these five years, the lease will be extended.

The purchase price, in most cases, is about one hundred dollars, sometimes even less. The money will go straight to the pocket of the husband. The wife cannot share any part of it. If the lease is for five years, it costs one just twenty dollars a year.

The leased wife has no say in any affair of the new family. She simply works and nurses her child, if she has one.

Many consider it a good economic policy, not only convenient for the one who leases, but also convenient for the one who has a wife to lease. This is perhaps the reason for the continued existence of the custom. But from the standpoint of a sociologist, it is a sin.

The Adopted Husband Has a Hard Life

If the life of a Chinese slave wife is hard, the life of a Chinese adopted husband is still harder.

In a Chinese marriage, husband and wife are not placed on an equal footing. Usually the husband is the boss of the family. But in the case of an adopted husband, the boss is the wife.

For a girl of a rich family, who has a mother and no brother for her to rely upon, and who in fact cannot leave her home to marry a man, or for a rich widow who has a mother-in-law living with her, the last resort is to adopt a man as husband.

The man adopted will live with her in her own home, called by his wife's name, dropping his own. If she is a girl, he is called after her name. If she is a widow, he would take the name of her departed husband.

If the family is rich, the wife will share the treasure she has with him, but it is in her hands that it is to be distributed. The husband has no right to handle family affairs at his own disposal.

If the family that adopted him as husband is poorer, the husband has to earn for the family.

This practice now prevails in the eastern section of Kwangtung. Its historical origin is not known.

The Bane of Eaily Engagements

Involuntary marriage is inhuman, and equally inhuman are early engagements. Early engagements are handled by the parents of both families, without the consent of the girls or the boy.

There are two different types of early engagement that are in vogue in culturally backward countries. One type of engagement is made by consent between mothers during pregnancy. It is called engagement during pregnancy, in Chinese phraseology. This is done between mothers or fathers who are intimate friends.

Another type of early engagement is made between two families through the activities of a match maker. When a girl is ten or eleven, she must be engaged. You cannot find any girl of such age not engaged in the country.

A sensational news item of suicide published June 25 in the *Shunpo* revealed the terrible result of early engagement. Nine girls, aged from 13 to 19, were reported to have drowned themselves in a body, in the southern section of Fukien, as a result of their struggle against unsatisfactory marriage. This is an indication of the danger of early engagements.

Marriages Which Are Dreaded

To marry ought to mean joy, but in the eyes of Chinese peasant girls, to marry means nothing but pain. Most of them are not married at their own desire. The marriage is not the result of a love affair, but is the business of match makers.

In some districts in Kwangtung, fear of marriage is very common among girls in the countryside. Each and every girl has her group. They act in a group to defend their right and freedom. But because of their illiteracy, they know nothing of love or divorce. They have not the courage to get divorce from whoever they do not wish to live with. They submit to their parents and marry, but refuse to live with their husbands after marriage. Usually one has ten or fifteen years to wait before one can get one's wife to live with.

The writer does not mean to let the above mentioned folk-customs represent the primitiveness of our nation. Unquestionably, no. In fact they cannot represent the whole of China. They only represent the feudal part of China. Out of the feudal ruins, a modern China is being built. This is clearly reflected in the cultural life in the big cities. This article is meant as a help to measure our cultural advance and to see how far the town has out-distanced the countryside.

Shanghai, Aug. 14, 1934.

Jewish Congress Supports Continued Boycott of Germany

Dr. Goldman, president of the United States delegation, in opening the Third Jewish Congress at Geneva Aug. 20 declared that the causes for the anti-Semitic wave sweeping the world were partly psychological and partly political. Of special danger to Jews, he said, was the inflated idea of a state employing methods of violence tending to oppress the minorities; there was scarcely a time in the history of the Jewish people when the menace to their existence has been as great as it is to-day, he said.

A statement issued at Geneva Aug. 25 by the World Jewish Congress cited that Germany's imports had declined by 42 percent during the last 12 months in the United States alone, while imports to France dropped by nearly Frcs. 570,000,000, to Belgium by Frcs. 289,000,000 and Poland by 40 per cent. The Jewish organizers of the boycott againsct Germany do not claim that this sharp drop in Germany's export figures is due to their activity alone, but are unanimous in stating that the boycott will continue with increased strength until German Jews are given back all their former rights.

Three hundred foreigners, mostly German-Jewish refugees who, since January, 1932, have settled in Amsterdam without permission of the Netherlands authorities, have been notified by the police that they must leave the country.

NATIONAL STATE LOTTERY ADMINISTRATION

LOTTERY NO. 7

DRAWN AT THE CANIDROME, SHANGHAI, 31st AUGUST, 1934

1st PRIZE: 1 of $500,000 078339

2nd PRIZE: 2 of $100,000 each 148607 429469

3rd PRIZE: 4 of $ 50,000 each 157931 179371 296523 374756

4th PRIZE: 10 of $ 10,000 each 010975 070569 071679 084515 143232 158449 186560 192681 221132 354150

5th PRIZE: 50 of $2,000 each

002036	008862	009798	031118	041436	045090	074814	088083	095289	102148
133293	162640	180730	189389	193456	196664	209187	224178	244717	246233
261342	262452	271871	271927	275152	278268	286348	295619	303075	312567
314212	315584	320122	326560	339106	353369	362171	367747	370040	381445
384000	406377	407836	409383	425633	450003	463311	474862	477552	481314

6th PRIZE: 100 of $500 each

000921	003856	007612	012174	018140	019332	031721	033328	037804	040355
053715	056913	062705	065172	066768	068154	072153	088226	092063	092404
106788	112679	122865	137834	142591	145924	153570	173679	183344	184848
186091	187914	188205	188819	188921	192850	194326	195259	196696	204497
214833	216174	218474	222031	222425	229679	229973	231208	235987	236671
245618	247340	262861	264238	273859	275449	278676	284250	290601	291466
295442	297668	297977	301644	303923	304369	311416	325665	331430	338684
341431	346299	347533	351136	359902	360079	363127	371977	375006	376073
381718	384692	392454	394927	399151	402981	422175	444923	456475	460396
464167	467440	468640	474478	477644	485028	488498	488949	496666	499215

7th PRIZE: 500 of $200 each All numbers ending with 362

(Tickets whose last three figures correspond to a specially drawn number)

8th PRIZE: 4,999 of $70 each All numbers ending with 39

(Tickets whose last two figures correspond to the last two figures of the First Prize ticket number)

9th PRIZE: 44,999 of $20 each All numbers ending with 9

(Tickets whose last figure corresponds to the last figure of the First Prize ticket number)

SPECIAL PRIZE: 424462

(Donated by the Ministry of Finance)

Holder of prize winning tickets may receive payment on and after Saturday, 8th September, 1934, at the Central Bank of China, Bank of China and Bank of Communications or at any of their branches.

Prizes unclaimed after 28th February, 1935 will be forfeited.

The National State Lottery Administration accepts responsibility for the correctness of the Official Prize Lists only. These Lists are obtainable at the Head Office of the National State Lottery Administration and from the offices of any of the selling agents.

LOY CHANG,
Director-General.

Shanghai, 1st September, 1934.

NEXT DRAWING 2nd NOVEMBER, 1934

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Deadlocked C.E.R. Negotiations Tend to Aggravate Soviet-Nippon Relations

BY THE REVIEW'S TOKYO CORRESPONDENT

(Translations from various Japanese publications)

ACCORDING to recent Tokyo papers Foreign Minister Hirota in his interview with the Soviet ambassador on July 23 at the Foreign Office, handed him the final mediatory offer for the solution of the Chinese Eastern Railway problem. It is reported that in the memorandum, setting forth Manchukuo's proposal, which Hirota handed to Ambassador Yurenev a remarkable concession was made. At the interview the ambassador denied expressing his personal opinion about the matter but promised to forward the report to Moscow. On August 11 the Tokyo press reported that Ambassador Yurenev called on Hirota at the Foreign Office and, in answer to the latter's intermediate plan of July 23, stated that the Moscow government came to the conclusion that it could make absolutely no concession from its counter-proposal of July 30. Three days later, that is August, 14, Tokyo papers stated that Manchukuo's chief representative Chuichi Ohashi had an interview with the Soviet ambassador on the 13th and decided to pack up for immediate withdrawal. Thus what was reported as Hirota's final intermediate plan, upon which no small hope was placed by the people, again reached a deadlock. All the Japanese newspapers expressed regret for the deadlocked state of the negotiations and forecast a gloomy future of the relations among the three countries involved, some of them stressing that the deadlocked state of the negotiations is especially regrettable because it will affect the Japanese plan for solving various questions pending between Japan and Soviet Russia. In the meantime many untoward incidents have occurred in the Soviet-Manchukuo frontier district.

Atmosphere Is Quite Discouraging

(By Manchukuo's Vice-Foreign Minister Ohashi, Tokyo papers Aug. 14)

The atmosphere is quite discouraging. We are going to leave Tokyo tomorrow. The Russian contentions are too far removed from Manchukuo's plan and an amicable solution seems almost impossible. Direct negotiations may be resorted to, but that also seems difficult because the Soviet authorities have shown no sincerity. Thus, for all these reasons, we have decided to quit Tokyo. It may not be proper to say there has been a rupture. I will come back here again if the Soviet side reconsiders. As long as the present situation continues, however, there is no hope for such a turn of the situation. The Soviet side must take full responsibility if the negotiations are really broken off.

"Soviet's Serious Reflection Is What We Await"

(Foreign Office Views)

The Soviet side, in utter disregard of Hirota's good offices, declined his mediation plan and holds fast to her own which is far removed from his, while showing no sign of sincerity toward solving various questions pending between Manchukuo and herself. Since it is due to lack of sincerity on her part that the negotiation has been brought to a deadlock, what we expect at this time is no other than her reconsideration and her fresh effort to save the situation. To do so, she must either agree to the Hirota offer or modify her own plan. The Japanese side has nothing to do further but keep on watchful and waiting.

No More Negotiations Necessary

(Military Circles' Views)

(As to the views of the Japanese army, Tokyo and Osaka papers publish different articles but they all agree in that it holds a strong attitude against the Soviets. These different views of the army are gathered here).

It is rather too late for Ohashi to decide to pack up; he ought to have done so earlier. If in future the Soviet side fails to show a sincere attitude, all the responsibility resulting from the rupture should be borne by herself. The Soviet side has displayed an arrogant and insincere attitude toward the N. M. R. negotiation, and if she sticks to such an attitude in future we see no need of continuing the negotiation. Manchukuo should in future insist on her right,—future management of the N. M. R. to be done as a private railway. Especially as regards the frequent outrages occurring along its eastern line, we should completely wipe them out at any cost.

Soviet Side Lacks Sincerity

(By Vice-Foreign Minister Ohashi in Train Interview on Aug. 15)

The Soviet attitude has been insincere throughout the negotiation, for we have not been able to figure out whether Soviet Russia really wants to dispose of the N. M. R. line, or whether she merely threw us that road as a bait for something she may be holding up her sleeve. The Hirota counterproposal will exact no small inconvenience to Manchukuo. Yet we have shown readiness to accept through conciliatory considerations. Acceptance by Manchukuo of that proposal will mean a heavy burden to us, including a huge loan that will have to be floated in Japan. It is not certain that Japan has sufficient financial latitude to absorb the N. M. R. loan. You can see for yourself that it is absolutely impossible for us to add anything to the best price we have already named. No, I did not say anything that might be construed as declaring a rupture in Tokyo on Monday (August 13). If the Soviet side will display more good faith, ways can be found to iron out the difficulties. Negotiations can be resumed either in Tokyo or in Harbin. If Russia declares a rupture, the responsibility will be hers. As I say, all will depend on the Soviet attitude from now on. When I left them day before yesterday, the Soviet delegates intimated that they might reconsider their proposal.

The Transfer of the N.M.R. Will Greatly Benefit Japan

(By Yasuzumi Yamasaki (山崎靖純), Yomiuri, July 27)

(The undermentioned article by Yamasaki was written and published prior to the rupture of the N.M.R. negotiation was reported)

Though I have no liberty to disclose here Japan's intermediate plan for the solution of N. M. R. problem, it is quite proper to press friendly spirit among the three countries concerned. One or two more talks may be necessary, but it seems there is ample possibility of materialization this time. The realization of the transfer of the railway carries far greater significance than the purchase of railway.

Through the successful conclusion of the negotiation the Soviet side will come to realize the peace loving spirit of both Manchukuo and Japan, and thus a way may be paved toward the conclusion of a non-aggression pact. It would be a rebellion against civilization that the two countries, Soviet Russia and Japan, start a meaningless war and let Britain and America fish in troubled waters. I place much importance on the present intermediate offer.

In case the negotiation comes to a successful close the benefit which it gives to Japan, Manchukuo and Russia is really great. In addition to such a benefit as thereby removing unsafety on the border or the prospect of the Soviets utilizing the fund thus raised in the purchase of products in Japan and Manchukuo, Japan will find her position at the coming naval conference the cozier and safer.

Similarly, on the part of Soviet Russia she will thereby be able to strengthen her international position, especially against Great Britain.

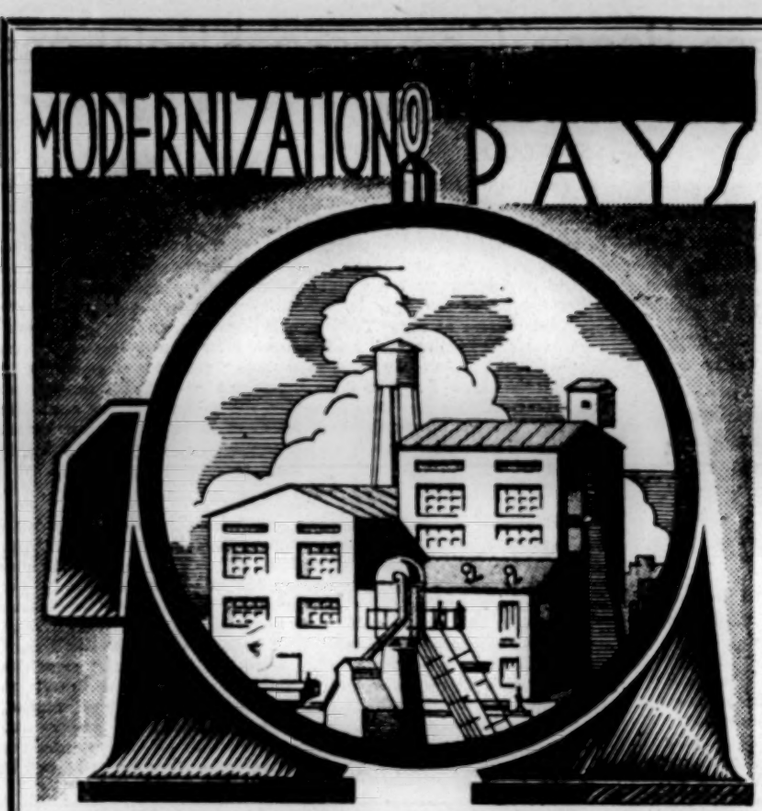
The significance carried by the N. M. R. negotiation is great. In view of the difficulties which will be sure to attend the next disarmament conference and consequent armament expansion and in consideration of America's aerial advance and China's armament preparation, the position of our country in the whirlpool of international capitalism is not at all safe. That is to say, what we call a crisis may be further intensified. Under such circumstances we cannot but hope for the amicable solution of unsavory questions pending between Soviet Russia and Japan and thus raise Japan's international position to a stronger foundation.

Dangerous Posing

(By Katsuji Inahara (稲原勝治), Yomiuri Aug. 17)

Beneath the cause that has brought the N. M. R. negotiation to a deadlock there must be "something." The key to solve the enigma, according to my own diagnosis, lies in the Locarno agreement of the Eastern Europe. This is an agreement to be concluded among Germany, Soviet Russia, Poland, and Chechoslovakia under the care of France. The promoters being France and Soviet Russia there is possibility of the agreement being converted into a Franco-Soviet alliance pact. Germany, for an obvious reason, declined the overtures, but France is making a frantic effort for the materialization of the agreement. A recent telegram from Paris says that a step forward will bring the agreement to a successful realization.

Seen from Soviet standpoint the significance of the agreement lies in entrusting the allied states with Germany, which is her enemy on the western side, and positively developing her influence to the Far East. Originally the decision to part with the N. M. R. was made with the object of making a change in her Far Eastern policy and stretching her influence into Central Asia. Therefore, if Soviet Russia has made a rightabout face to act positively in the Far East, she has twice changed her policy. It may be that Soviet Russia attempts to make use of the N. M. R. problem as a stimulant for



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speedy conclusion of the Locarno agreement referred to above or for her joining the League of Nations. If such is her motive, it may be that she planned to kill two birds with a stone by giving a flat refusal to the intermediate offer of Hirota.

Following the recognition of Soviet Russia by the United States, Moscow's attitude was suddenly stiffened and the inevitability of the outbreak of a Soviet-Japanese war was broadcast from Moscow. No wonder therefore that, at present when the East European Locarno agreement is reported soon to materialize, Soviet Russia assumes a stronger attitude and demonstrates from Moscow that another world war will come as a sequence to the Soviet-Japanese war.

The Chung Yuan Coal Company Gives Jobs to Many Officials

(From the Review's Correspondent at Kaifeng, Honan)

It is rumored that Lin Ching-tsai, former civil commissioner of the Honan province, and now a member of the Provincial Government, will be invited to become general manager of the Chung Yuan Coal Company. New members of the Board of Directors of the Chung Yuan Coal Company have just been elected. All higher officials and local gentry in the province are being invited as members of the company, or given positions from which they receive monthly "benefits" according to their rank.

The Pekin Syndicate and the Chung Yuan Coal Company, both situated at Tsiaotso in Northern Honan, announced their combination two years ago. They sell their coal together, but dig it separately. Up to the present, the Chung Yuan Coal Company has borrowed $4,500,000 from thh Pekin Syndicate. The property of the former is valued at about $8,000,000. The Chung Yuan Coal Company has three shafts but only one is producing, and the coal is of poor quality. The Pekin Syndicate accomplishes more work than the Chung Yuan Coal Company does with only one-fourth as large a staff.

Some years ago, a Japanese wrote a book in which he pointed out that the British through the Pekin Syndicate intended to seize a stronghold at the foot of the Tai Hang Mountains in the interior of China, in order to develop their influence along the Yellow River, and that the coal rights in Honan, Shansi and Shensi might all fall into British hands.

At the beginning of the combination of the Pekin Syndicate and the Chung Yuan Coal Company, many people came forward to fight against the suggestion. Later on, when some of them were invited to be members of the company, and they received certain benefits, the storm suddenly quietened down. The Honan people honor Messrs Chang Tien-fang, and Yang I-feng, both members of the Provincial Kuomintang, for refusing to be appointed as members of the company, and instead maintain their attitude of non-cooperation.

It is interesting to note that one of the three shafts of the Chung Yuan Coal Company was damaged and a large number of the workers were killed just at the time when two weeks later the company received the first loan, $3,000,000, from the Pekin Syndicate. Much suspicton was aroused among the Honan people as a result.

In the past several years, Japanese coal has been sold in Hankow on account of the suspension of operation of the Pekin Syndicate, and the incessant dispute of the Chung Yuan Coal Company.

Kaifeng, Honan, Auguts 24, 1934.

German Nazis Favor Beheading, Reject the "Poison Cup"

Capital punishment by beheading tops the list of penalties recommended by Nazi jurists for a new penal code in Germany. The suggestion that persons upon whom a death sentence has been passed should have an opportunity to commit suicide by the "poison cup" was rejected.

Americans and Chinese Began Commercial Relations Just 150 Years Ago

BY EDWARD H. LOCKWOOD

THE one hundred and fiftieth anniversary of the beginning of trade between China and the United States occurred on August 28 of this year. It was on this day in August, 1784, that the first ship, a small sailing vessel of less than a thousand tons, under the flag of the United States, reached the Whampoa anchorage, the destination at that time of all ships engaged in the trade between China and foreign countries. This ship, the *Empress of Asia*, had left New York on January 28 of the same year, had sailed around South America, passed the Verde Islands, Java and Macao and brought into the Canton port a cargo of ginseng root, then as now regarded by the Chinese as having great medicinal value, to exchange for a cargo of tea, cassia, silk and porcelain to be taken back to the markets of the United States.

Samuel Shaw a Writer

We would not know about the arrival of the first American ship in Canton harbor if the supercargo, the merchant in charge of the venture, had not been a writer. Major Samuel Shaw who brought the *Empress of Asia* to China, was a writer and we find the account of his four voyages to China between 1784 and 1792 published in a book with the title of Shaw's Memoirs. This book contains, also, a biography of Shaw and his letters written during the nine years that he served as an officer in the revolutionary forces of the American colonies in their struggle for freedom from England. This written account gives us a clear idea of the man and a picture of the China trade as it existed one hundred and fifty years ago.

Major Samuel Shaw was a manysided man. He was a merchant, a writer, a patriot who served as a soldier from the beginning to the end of the American revolution and was honored by being made the first consul of the United States to China by the authority of President George Washington during the term of John Jay, as secretary of state of the federal government.

Anglo-American War

The life of Samuel Shaw as it appears in his letters and his diary gives some interesting facts about the life of his time and the way in which he re-acted toward the events which took place in American history during his life time. When the war between England and the American colonies began, young Shaw, who had just completed his education in one of the classical schools of Boston, enlisted in the army which General Washington was collecting in the vicinity of Boston. At this time Shaw was twenty-one years of age. His father was a prominent merchant of Boston and the son had planned to enter his father's business when the Battle of Lexington, marking the beginning of open warfare between England and the colonies, caused him to change his plans and enlist in the revolutionary army.

Served on Washington's Staff

For the next nine years the life of Shaw was in the midst of the struggle between England and the colonies. Much of this time he was in the center of fighting and served on the staff of the commanding general, George Washington. He was with Washington when the colonial troops left Boston and occupied New York City. He was in the retreat from that city when the English forces compelled the colonials to retreat into New Jersey. He followed General Washington through New Jersey when the British troops were pursuing them. He was with the troops which, under Washington's leadership, made the night surprise attack on the British forces at Trenton and gained one of the few victories they won in the course of the revolutionary war. Shaw was in the battle of Germantown which resulted in defeat of the Americans. He was with Washington when news came to the general of the treachery of Benedict Arnold who sold the plans of the Westpoint fort to the British army. He accompanied Washington to Faunce's Tavern in New York City when the commanding general said farewell to his officers who had led the war which had resulted in freedom for the colonies. He was, also, with Washington at Newburgh when his leader appeared before the troops which had planned to overthrow the federal government due to their dissatisfaction with the weakness of that government and the payment of the troops in depreciated currency that had little value. It was at this time that Washington by an appeal to the patriotism of the soldiers diverted them from the plan which, if successful, would have meant a military dictatorship for the thirteen colonies.

Admiration for Washington

In Shaw's letters, written while these stirring events were taking place there glows always a great admiration for the courage and the wisdom of General George Washington. Shaw had the provincialism which usually characterizes a native of Boston. He looks with disapproval upon soldiers and citizens of all colonies outside of New England. He reports that the people of Pennsylvania are ready for slavery, one-third of them will not fight the English because of their conscience and in this remark he refers to the Quakers who were an important part of the population of this state, another third of the population will not fight because of their property and the other third will not fight because they are selfish politicians. He finds no person in New York worth knowing, the tory "vermin" are thick in Flushing, the militia from New Jersey started to run when the British were a mile away and were only stopped by an officer from New England who threatened to turn his cannon on the troops if they did retreat before the military stores could be moved. But his provincialism gives away before his admiration of General Washington who is to the young soldier all that a leader should be.

Leaves Army With Rank of Major

Samuel Shaw was discharged from the victorious army with the rank of Major. Conditions in the colonies were discouraging. The various new states were jealous of each other, the federal government was inefficient, the paper currency in circulation by the federal government and by the various states was almost worthless. Shaw was at this time about thirty years of age and it was natural after so many years in the army that he should not relish the idea of settling down in a Boston office. When the opportunity came for him to join with others in bringing the *Empress of Asia* out to China in 1784 it was natural that he should welcome this venture, which promised new experience, a chance to serve his country and to make a beginning in starting a fortune which he badly needed for he had accumulated nothing in the nine years when he had been in the colonial army.

When "Empress of Asia" First Anchored Off Whampoa

When the *Empress of Asia* anchored at Whampoa Major Samuel Shaw found that ships of the French, British, and Danish had arrived there before him. There was considerable pride in the American as he looked at the flag with the stripes and the thirteen stars flying on his ship. Following the custom of the time, he fired thirteen shots with his cannon as a salute to the other ships in the harbor and each of the nationalities responded with a similar salute. Major Shaw then visited a ship of each nationality in the harbor and received visits in turn.

When the Americans visited the British ship the officers were friendly and in commenting on the war that had been fought between England and the colonies expressed the regret that it had taken place, a hope that there should be no bad feelings resulting from it and a conviction that if the Americans and the British stood togteher they could stand against the rest of the world.

In spite of this friendliness of the Britishers, Major Shaw did not treat them as friends. He could not forget his years of service against them in the colonial army and during the time he was in Canton he turned to the French, the former allies of the Americans in the war against England, for help and advice rather than to the English. He was always looking for slights from the British and suspicious of all their friendly advances.

Recorded as British Ship

For example. after he had been in the port for several months, Major Shaw found, much to his exasperation, that his ship had been entered in the port records as a British ship. He immediately suspected that this was a British trick and consulted with his French friends. They investigated for him and found that the wrong registration was not due to British influence but was the action of the official responsible for the registration of ships. This official, according to custom, had to pay a fee when the ship of a new country was entered on the records and rather than pay the fee he had registered the ship with new flag as ship from England. Much to Shaw's satisfaction the error was corrected.

The diaries of Samuel Shaw which give his observations on trading conditions in Canton in 1784 reveal a world far different from the world of 1934. He lived in the days before machinery had transformed the world. Trade in Canton was restricted by the unwillingness of Chinese officials to open their country to the trade of the world and by the fact that all merchandise had to be carried in sailing vessels, which required months to make the voyages from the East to the West as well as by inadequate banking facilities for the transference of credit.

Smuggling Tea

In 1784, according to Shaw's account, the Danes, Germans, Swedes, English Dutch, French, Spanish, Armenians and Moors were trading in Canton. Of these the French and the Germans did little trade and did not maintain godowns and offices in Canton. The Swedes and the Danes did a large trade in tea which was carried to Scandinavia and then smuggled across the channel into England. The trade was profitable because the English government maintained

PEIPING-LIAONING RAILWAY

ABRIDGED TIME TABLE

1st July, 1934 and until further notice.

Down Trains									Up Trains							
41 Slow D 1 2 3	301 Ex. S D 1 2 3	1 Ex. S D 1 2 3	305 Ex. S D 1 2 3	23 Fast D 1 2 3	5 Ex. D 1 2 3	21 Ex. S D 1 2 3	3* Ex. S D 1 2 3	MAIN LINE STATIONS	302 Ex. S D 1 2 3	22* Fast D 1 2 3	42 Slow D 1 2 3	4 Ex. S D 1 2 3	24 Fast D 1 2 3	2 Ex. S D 1 2 3	306 Ex. S D 1 2 3	6 Ex. D 1 2 3
5.45	15.05	8.45	18.50	13.15	16.30	20.15	10.55	dep. Peiping - - - arr.	10.24	11.29	17.55	18.42	23.17	9.18	8.19	11.50
6.20	15.36	9.13	19.20	13.46	—	20.48	11.24	,, Fengtai - - - - dep.	9.54	10.55	17.21	18.15	22.48	8.47	7.49	—
7.45	16.40	10.21	20.26	15.01	—	22.08	--	,, Langfang - - - ,,	8.50	9.26	15.43	—	21.34	7.45	6.43	—
9.16	17.50	11.28	21.39	16.30	19.07	23.38	13.32	,, Tientsin Central ,,	7.40	8.03	14.14	16.05	20.11	6.39	5.30	9.15
9.25	17.59	11.36	21.48	16.39	19.15	23.47	13.40	arr. Tientsin East - dep.	7.30	7.50	14.00	15.55	20.00	6.30	5.20	9.05
9.35	18.20	11.50	22.20	16.55	—	24.00	13.50	dep. ,, ,, arr.	7.05	7.36	13.46	15.40	19.50	6.15	4.50	
10.38		12.47		18.03	Stop	1.10	14.47	,, Tang-ku - - - dep.		6.31	12.46	14.45	18.51	5.11		
11.46		13.45		19.08		2.18	15.40	,, Lu-tai - - - - ,,		5.26	11.41	13.48	17.43	4.08		
12.52	FOR SHANGHAI	14.42	FOR PUKOW	20.11		3.32	16.39	,, Tang-shan - - ,,	FROM SHANGHAI	4.15	10.30	12.50	16.37	2.58	FROM PUKOW	
13.39		15.17		20.47		4.20	17.14	,, Ku-yeh - - - ,,		3.30	9.44	12.18	16.05	2.16		
14.29		15.49		21.21		5.12	17.46	,, Lanhsien - - - ,,		2.32	8.45	11.39	15.22	1.18		
15.32		16.31		22.11		6.18	18.28	,, Chang-li- - - ,,		1.29	7.40	10.58	14.37	0.19		
16.16		17.04		22.46		7.07	19.01	,, Pei-tai-ho - - - ,,		0.39	6.54	10.27	14.00	23.31		
16.43		17.23		23.08		7.33	19.20	,, Chin-wang-tao - ,,		0.01	6.25	10.04	13.35	22.59		
17.05		17.40		23.26		7.55	19.37	arr. Shan-hai-kwan - ,,		23.30	6.00	9.45	13.15	22.30		
		18.40						dep. ,, arr.						21.26		
		16.25						arr. Shenyang (Mukden) dep.						10.15		

S. D.—Sleeping and Dining Cars. D. Dining Car.

Refund of Fares :— Passengers must get Station Master to endorse ticket in connection with which they intend to claim refund.

No. 3 and 22* Temporary suspended.

Tientsin, 1st July, 1934.

BY ORDER.

a high import duty on tea. It was estimated that fourteen million dollars worth of tea was being consumed in England yearly and of this amount only six million was passed through the custom house in the regular way. The rest of it was smuggled into the country by the Danes and the Swedes.

There were a few Armenians and Moors in Canton in 1784, who, Shaw reports, dealt largely in precious stones and other merchandise which was carried in ships belonging to other nationalities. It is probable that the people described as Moors by Shaw were, in reality Parsees, for these people had been trading in Canton for many years and have their successors in the city at the present time.

East India Company

By far the largest part of the China trade in 1784 was in the hands of the English. The monopoly of trade was in the hands of the East India Company who held their right to trade from the English government. Like several of the other nationalities the English had godowns and offices in a restricted area from which, according to Chinese official regulations, they were not allowed to go either into the Chinese city or any part of the country around Canton. This area on the north was bounded by Shap Sam Hong, the street in Canton where even today can be found many of the money changers operating now as they did one hundred and fifty years ago. On the east the boundary was the city wall where the present Tai Ping Ma Lo runs. On the west the boundary was the stream which runs under the present bridge, but Shameen, of course, did not exist in 1784. The southern boundary was the river which in the early days had its shore line approximately on a line with the street which runs to the rear of the Ta Sung Company.

English Ships

There were two kinds of English ships, those which came out from Europe and those which ran back and forth between China and India. The latter were called country ships. These ships belonged to individuals and not to the company. The private ships from India brought out cargoes of cotton, sandal wood, ebony, sharks' fins and bird nests, some of which were collected from points in the South Seas. These same ships smuggled arms and opium into the Dutch settlements in the south and secured cargoes of pepper, tin and spices.

The ships from England brought out lead, cloth and silver to exchange for tea, the principal article of trade, cassia bark, Nankin cloth and porcelain. These ships were from six to eight hundred tons in size and were not generally good for more than four voyages, for these were the days of wooden ships, which could not stand the weather as their metal successors do.

Trading Season

The East India Company maintained a staff in Canton during the trading season which ran from April through December. After the ships had all left for their homeward journeys the foreigners resident in Canton, according to Chinese regulations, had to leave Canton for Macao where they lived until the ships from the west arrived for another season of trading. The newest recruits of the resident foreign staff were called writers who came out from England as young as fourteen and fifteen years of age. They served as writers for a period of five years and if their work was satisfactory they would then become supercargoes, men in charge of buying and selling cargo for which they were paid commissions.

The final step of promotion was to the place of chief of the factory, a most lucrative position which in 1784 paid a salary of seven thousand pounds sterling and there was opportunity to make money on the side. This position was so well paid that no man occupied it for more than three years. At the end of three years it was assumed that the chief could retire with a private fortune and live as a "nabob" in England.

Canton, August 20, 1934.

American Warships Ordered to Return to Pacific

All naval units of the Scouting Force category received orders August 23 from the U.S. Navy Department to sail for the Pacific coast where they are to remain "until the situation changes," it was announced by a spokesman of the Department. Thirty-six units of the Scouting Force will be stationed at San Diego, two at San Pedro, and the remainder at other points of the Pacific coast. Japanese official circles made no comment on the transfer of the fleet back to the Pacific.

Chinese Comment on Transfer of U.S. Fleet

The *China Times* comments :—"It has been suggested in certain quarters that the naval movement on the part of the United States towards the Pacific would give moral support to Soviet Russia. This might be true to some extent. But the friction between Capitalism and Socialism has not been reduced by the resumption of diplomatic relations between the United States and Soviet Russia. On the contrary the success of Soviet diplomacy will accelerate the combination of the capitalistic powers against Soviet Russia. Therefore, nobody is in a position to predict what will be the future of the Far East."

The Mongolian Buffer States

BY HARRY PAXTON HOWARD

THE Mongol Prince Teh, moving spirit of the new Autonomous Inner Mongolia, declared in an interview last November that the Mongol movement for which he stood was "an effort to preserve Mongolia as a country, and the Mongol people as a race. A strong autonomous government would be helpful to both. Mongolia would form a buffer between China and the countries round her on the north and east."

Prince Teh, though working particularly on behalf of the autonomy of the Mongol areas in Chahar and Suiyuan provinces, was evidently speaking for Mongolia as a whole. The great area which was until recently a part of the Chinese Empire, is now to be made a "buffer" between China and other countries. It is interesting to note that Lattimore, the expert on Manchuria and Mongo'ia, uses the same expression "buffer" to describe Hsingan, the largely autonomous Mongol province of "Manchukuo," in regard to which he remarks: "If Manchukuo be regarded as a buffer state, then Hsingan is the buffer province of the buffer state."

With an "autonomous Mongolian buffer" accepting "Manchukuo" sovereignty, and another one accepting Chinese, the announced "effort to preserve Mongolia as a country, and the Mongol people as a race," clearly means something more than mere local autonomy. But by far the greatest part of Mongolia, as regards area, is Outer Mongolia. Any endeavor, therefore, to unite Mongolia "as a country," and the Mongols "as a race," would evidently mean war, in view of the utterly different orientation of Inner Mongolia, with its princely and religious leaders under Japanese and Chinese influences, from Outer Mongolia, with aristocratic and religious privilege wholly eliminated and the country under Soviet influence.

Background of Autonomous Inner Mongolia

In view of the striking similarity of the Mongol position in "Manchukuo" and China, with the creation of buffer areas from the Mongol districts and the avowed aim of Mongol unity, it is of importance to consider the antecedents of the movement which has led to the establishment of "Autonomous Inner Mongolia" in territories which until this year were parts of Chahar and Suiyuan, but which have now been made an autonomous Mongol area over which the Chinese provincial authorities have no control, though the Autonomous Mongolian Political Affairs Council recognizes Chinese sovereignty or suzerainty.

There is no doubt, of course, of the Japanese inspiration of Mongol nationalism. Although encroachments upon Mongol lands by Chinese officials, landlords, and peasants had led to bitter local rebellions at times, there was nothing in the way of a united Mongol movement prior to the occupation of Manchuria by the Japanese. The Japanese, indeed, had long been preparing for this, and many young Mongols had been educated in Japan, but it was only after the Japanese army established their control in Manchuria, with its wide Mongol areas, that the active organization and development of a Mongol "national movement" became practicable.

The various Mongol tribes, as a general thing, had about as much sense of unity as the native Indian tribes of the United States. Once, they had been organized into a powerful body by the great leader Jenghis Khan, but this unity fell to pieces in a few generations, and when they were united again it was by an outside force—the Manchus in the seventeenth century. Tribal divisions remained, however, and were supplemented by new economic divisions as many of the Mongols turned to a settled agricultural life, so that when the Manchus fell the Mongols were in no way a united people. Under Chinese rule and increasing encroachment, many of the Mongols suffered greatly, but there was no such unity as could bring combined resistance of the various tribes.

"Manchukuo" and the Mongols

The Japanese, seeing in the Mongols an element in general hostile to Chinese authority, did all possible to utilize their services as an auxiliary in support of the new regime they established in the Manchurian provinces. The Mongols themselves, as the friendly Lattimore points out, were unable "to make a bold, united decision of any kind," so the Japanese took the initiative "in organizing the Mongol affairs of Manchuria." The Lytton Report concluded that "while the support of certain of these Mongol elements at present is genuine, if cautious, they are quite prepared to withdraw it should the Japanese prove a menace to their independence or economic interests at some future date."

In Hsingan, therefore, the autonomous Mongol area created out of the predominantly Mongol districts of Heilungkiang, Fengtien, and Jehol, there was a special regime, designed to meet the approval of the Mongol princes. The tribes were autonomous under their princes, but over them was the Hsingan Provincial Government, which instead of being wholly appointive—like the other provincial regimes—consisted largely of representatives of the Mongol tribal organizations (meaning, in general, the princes and lamas), together with members appointed by the "Manchukuo" Government at Changchun, and including of course Japanese officials and advisers. According to Lattimore, these Japanese exercised a "less minute" control than elsewhere in "Manchukuo," owing to the Mongol position being "virtually one of alliance." The provincial government, which had its headquarters at Changchun, was quite independent of the "Manchukuo" Cabinet and Ministries, dealing direct with the Privy Council,—which meant in practice that it was under the direct supervision or control of the Board of General Affairs. "Manchukuo" garrisons were excluded from the Mongol areas, the Mongols having their own militia.

Some two millions (a decided majority) of the Inner Mongols were now associated with or under "Manchukuo,"—some 900,000 in Hsingan and a million or more in predominantly Chinese areas—and in the Mongol areas a definite policy was pursued (similar to that of the Manchus at an earlier day) to keep the people tribal so far as possible, and free from Chinese encroachment.

Chahar and Suiyuan

The occupation of Jehol by the Japanese was shortly followed by the Tangku armistice, which, the Japanese declared (using the most forcible of arguments to substantiate their claim), excluded Chinese troops from all of Chahar excepting the southwestern section including Kalgan. At Dolonor, and in other areas of middle Chahar occupied by Japanese, "Manchukuo," or Mongol forces, the population was both Mongol and Chinese, the latter element increasing towards the south. The Chahar Mongols, largely swamped by Chinese and reduced to farming, gave way in northern Chahar to the Mongols of the Silingol League, comparatively well-to-do herdsmen, sufficiently far from Chinese penetration to have suffered but little from it, and now given virtual independence by the barring of Chinese troops from northern Chahar.

It was in special reference to the Dolonor area of middle Chahar that the Japanese military attache at Peiping, Col. Shibayama, declared that General Ho Yin-ching's formal request, in August last year, to transfer the territory to China, was "unthinkable," as Dolonor had been occupied by Mongols, natives of Chahar province, and China therefore had no claim to the city. The presence of native Mongol troops here, Shibayama said, would "stabilize" the territory, in accordance with the spirit of the Tangku truce.

With Chinese troops excluded from northern Chahar, the Japanese might have taken over this Mongol territory as they had the Mongol areas in Jehol, Fengtien, and Heilungkiang. But they appear to have had other plans. Chinese reports stated that the Silingol prince Te-Mu-Cho-Ko-Tung-Lu-Pu, otherwise Prince Teh, went with a group of other Mongol leaders to Changchun, were introduced (through a Japanese adviser) to Pu-Yi, and decided at this meeting to declare the independence of Inner Mongolia west of "Manchukuo." The plan was said to have fallen through at a subsequent conference with other Mongol princes and the Panchen Lama, but in September last year a group of Mongol princes led by Prince Teh, after a conference at Pailingmiao under Teh's chairmanship, issued a circular telegram asking for Inner Mongolian autonomy, though reaffirming loyalty to the Central Government and to the principles of Sun Yat-sen.

Autonomous Inner Mongolia

Prince Teh and the Silingol League, therefore, virtually under Japanese protection, instead of affiliating openly with "Manchukuo" utilized their position in the direction of a united and autonomous Inner Mongolia which should include the Mongols of both Chahar and Suiyuan. They worked towards the idea of a united Mongolia which the Japanese had been striving for, aiming to bring the Olanchab and Ordos Mongols of Suiyuan—and even some over the border in Ninghsia—to a sense of unity and nationhood, to an assertion of themselves as Mongols, and to the realization of an autonomy which they had not known since the establishment of the Chinese Republic.

Lattimore has pointed out the importance and significance of the Silingol Mongols: "As there is neither Mongol agriculture nor Chinese colonization anywhere in the League, and as the princes are powerful and at the same time afraid of the revolutionary ideas of Outer Mongolia, the Silingol territory is a stronghold of the old nomadic society and the old tradition. It is therefore a kind of hinge on which turn the politics of Inner Mongolia as a whole." At the conferences with the Olanchab and Ordos Mongols, therefore, the initiative of Prince Teh and his tribesmen was highly effective. The princes decided to organize a Political Council for Inner Mongolia, and the Japanese left northern Chahar in its hands.

Difficulty with Chinese Authorities

The provincial authorities of Suiyuan were by no means friendly to this move, which aimed at the taking of various districts out of their hands by the Mongols. At the time of the second conference proposed for Pailingmiao, which is in Suiyuan province, General Fu Tso-yi, provincial chairman, moved troops to the town to "supervise the activities" of the assembled princes, necessitating the latter's removing the seat of the conference to Pankiang, where Prince Teh was Garrison Commander with—some six thousand Mongol troops, with modern arms, under his command.

An attempt was also made to meet Mongol demands by shake-ups in personnel and names of the bureaus at Nanking dealing with Mongol affairs. A 'Ministry of Frontier Affa irs" was to be created, with Yen Hsi-shan as Minister. The parts of Inner 'Mongolia which were still so completely Mongol that they had not even been organized as Chinese hsien, were to be autonomous (as, indeed, they already were, for all practical purposes) as "special hsien" under the Chahar and Suiyuan provincial governments. Neither Nanking nor Shansi appeared to take the Mongol demands seriously, evidently thinking they could be settled by giving some of the princes jobs on new bureaus, eliminating some "Mongol affairs" officials who were wholly unacceptable to the Mongols, changing some names of officials and offices (the Chairman of the Mongolian and Tibetan Affairs Commission, Shih Ching-yan, was a Szechuanese who had never in his life been in either Mongolia or Tibet), and "giving Mongols an opportunity to participate in politics," though the plan "must not interfere with the administrative integrity of the provincial government." The Mongols, however, who were most emphatically opposed to the "administrative integrity" of the provincial officials in Mongol areas, flatly declined to accept any such pretense as being a settlement, and in reply to the National Government declared unequivocally that "the institution of local autonomy in Inner Mongolia is the only means of self-preservation for the Mongol population." "Nanking," Prince Teh declared in astatement, "still wanted division of the Mongols. But the Mongols were determined to be one," and to govern their own territory. Chinese farmers on Mongol territory "can farm in peace, and we will drive off the robbers," this being more than the provincial governments had achieved. No less than seven-tenths of the territory of Suiyuan province was demanded for Autonomous Inner Mongolia.

Princes, "Young Mongols," and Pu Yi

The Mongols were not yet a unit. But while it was tribal separatism, the lack of any "national" conception, and the widely varying conditions among the Mongols—nomads in northern Suiyuan, farmers largely swamped by Chinese in the Ordos and middle Suiyuan (with every intermediate stage),—which was the stumbling-block to unity among the princes—a stumbling-block largely surmountable by insistence upon the practical improvement in the situation of the Mongols in "Manchukuo,"—there was a different question involved among the "Young Mongols." Some of these were pro-Japanese, some were willing to support the movement only if there appeared to be no foreign interest behind it, while some were wholly opposed to it. Some declared emphatically that Henry Pu-Yi was powerless, and only a puppet head, all real power in "Manchukuo" being in the hands of the Japanese.

Japanese Minister Ariyoshi, on the other hand, while declaring that Japan was "not interested" in the movement, thought that Henry Pu Yi "might exercise some influence among the Mongols." This consideration was undoubtedly a factor in the decision to make Pu Yi "Emperor of Manchukuo" a few months later.

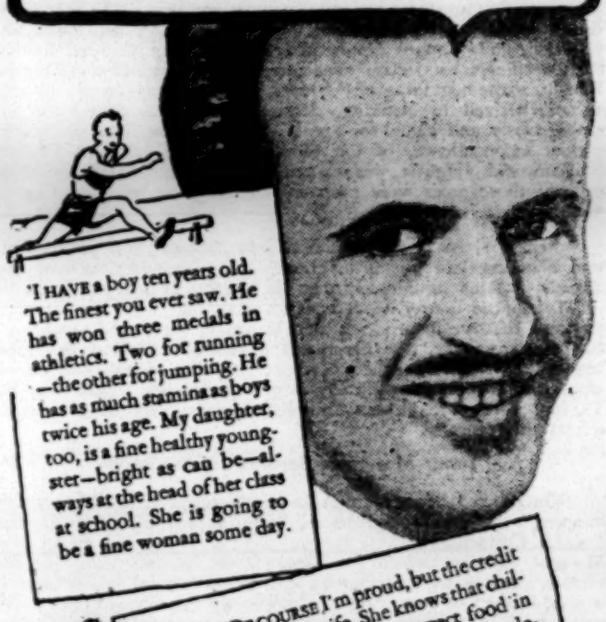
Quite disregarding official opposition, the Autonomous Government of Inner Mongolia was formally instituted on October 15, with an executive committee headed by Prince Yun-Tuan-Tuang-Chu-Ko (known as Prince Yun), head of the Olanchab League of northern Suiyuan, as chairman, and Prince Teh as vice-chairman and head of the administrative council. In fact, of course, this Government could function only in those areas where Chinese provincial authorities did not already exercise authority. But the Mongols were determined to achieve much more than this. Prince Teh's representative at Peiping declared flatly that:

> "The Mongols demand the return to Mongolia of territory which the Chinese Government has converted into hsiens and towns, contrary to the practice of the Mongols. A large part of Mongol territory has been taken away by the Chinese, and now the Mongols have very little room to pasture their cattle. This cannot be tolerated. We want our territory back . . . General Huang . . . . promised that a Frontier Affairs Ministry would be created in the Government and a Mongol leader would control the new ministry, which would employ Mongol youths. I rejected the suggestion completely because, first of all, no Mongol would leave his country to be an official in far-away Nanking."

Negotiations in Nanking

The Japanese decision to make the Dolonor area an autonomous Mongol district, under direct supervision and protection of the Japanese military headquarters at Chengteh, may have been a further stimulus to action. A Mongol delegation from the Olanchab and Yeghe Ho (Ordos) Leagues came to Nanking, where months were

"Ask me! Am I a *proud* Father"



"I HAVE a boy ten years old. The finest you ever saw. He has won three medals in athletics. Two for running—the other for jumping. He has as much stamina as boys twice his age. My daughter, too, is a fine healthy youngster—bright as can be—always at the head of her class at school. She is going to be a fine woman some day.

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Quaker Oats

D-5

spent in negotiations with Nanking officials, and the drawing up of attractive plans which would give the Mongols exactly nothing. Finally, with the announcement of the grandiose scheme adopted by the Central Political Council on January 17, leaving things precisely as they were except for changes comparable to those which took place when Chang Hsueh-liang changed flags in Manchuria six years ago, the Mongol delegation prepared to leave, declining to be trifled with further, or to accept paper programs as a substitute for self-government.

At the same time the Panchen Lama, who had been working on behalf of Nanking at Pailingmiao, went to Peiping, having been unable to "damp down the movement in any way." In the meantime, the coming restoration of Pu Yi as Emperor had been announced, and Mongol representatives at Peiping declared frankly their readiness to declare allegiance to the new Manchu Empire. Finally, at the beginning of February, a delegation from the Silingol League arrived in Nanking, declared their aims clearly and unambiguously, and waited for a reply. Nothing less than autonomy, virtual independence, of the Mongol areas of northern Chahar, Suiyuan, and Ninghsia, was wanted. If this was granted, the Mongols of those areas were prepared to recognize, at least, China's suzerainty.

March 1 the new "Empire of Manchukuo" was proclaimed, and Nanking had but little choice left. General Okamura had already declared significantly that "If Mr. Pu Yi becomes Emperor of Manchukuo it may be difficult to reject requests from Mongol princes that we incorporate their territories under the security of this Government . . . . Overtures have been received from the ten leading tribes of northern Chahar . . . . The Mongol bannermen were loyal to the Manchu Dynasty for centuries. Now that Pu Yi, last of the line, is being restored as ruler, they are anxious to affirm their loyalty."

Inner Mongolia Becomes Autonomous

On March 5, four days after the proclamation of the "Manchukuo Empire," the Mongol demands were agreed to. The Central Political Council adopted a new set of general principles embodying Mongol self-government for Inner Mongolia, providing for the establishment of an Autonomous Mongolian Political Affairs Council which, instead of consisting of Chinese who exercised control and some meek Mongol figureheads who obeyed orders, was to consist exclusively of Mongols, though with a "special commissioner" (evidently a figurehead) to be appointed by Nanking to "direct" the Council.

On April 23 the Council was formally inaugurated at Pailingmiao. In view of its continued allegiance to Nanking, the Council's expenses of $50,000 per month were to be supplied by the Central Government. (Statement of Pai Yun-ti, member of the Central Executive Committee at Nanking). Pailingmiao, where a few months previously Fu Tso-yi's forces had asserted their authority, was taken under Mongol protection, with a guard of a thousand Mongol troops, some seven hundred under Prince Teh himself.

Prince Teh's movement has been, in the main, successful. The aim he envisioned, of Mongolia "as a buffer between China and the countries round her on the north and east," is being realized. The conception of Mongol unity, which the Japanese at first found difficulty in developing in the four northeastern provinces, is now being developed among the Inner Mongols further west. Autonomous Inner Mongolia is something of a joint Sino-Japanese protectorate, the more important element (the Silingols) being definitely under Japanese protection owing to the exclusion of Chinese troops from northern Chahar, while the Mongols further west are dependent for their autonomy upon the Chinese military authorities.

On the other hand, Mongol leaders are now protesting bitterly that Nanking has not made the monthly remittances as promised, neither have any arms been supplied the Mongols by Nanking. Also, it appears that the Mongols of southern and southwestern Suiyuan, and further west, continue to be ruled by Chinese provincial authorities, as formerly. So far, however, the Autonomous Mongolian Council has continued to recognize Nanking's suzerainty.

Two Buffer Areas

There are now two Mongolian "buffer areas." The greater one, with about a million Mongols, is under "Manchukuo," with a provincial government located outside its territory and controlled directly by the Board of General Affairs at Changchun. The lesser one, with some half-million Mongols, recognizes Chinese suzerainty, but its governing council is within its own territory, and is made up of its own people, while it is under both Japanese and Chinese protection.

The *Inner* Mongols, it is clear, are being united "as a country" and "as a race." When the situation makes it advisable and practicable to absorb the lesser into the greater Mongol area, and to declare a united and "independent" Mongolia in alliance with "Manchukuo," supporting the restored Manchu Emperor and supported by Japan, there will be no serious obstacles in the way. *Outer* Mongolia, however, lies beyond their orbit.

An Official Opinion on How to Purify Chinese Officialdom

The *Central China Daily News* (Nanking) comments:—"Critics of Chinese politics are apt to say that corruption in Chinese officialdom is the main cause of the present day deplorable situation in China and that unless officialdom is fundamentally purified it is difficult for China to regain her place in the sun. But we want to point out to these critics that officials are not at all to blame for their corruption. These officials are not born corrupt. Some of them are extremely upright before they enter politics. The Chinese people have been taught for thousands of years that the only way to get famous and rich is to become an official

"But some employees of the Government only receive a monthly salary of between $20 to $30. With this money they cannot even maintain their family. This compels them to seek incomes from some other places. The administration system is mainly responsible for this corruption. The officials have no proper protection and favoritism is openly practised. Those who have strong backing can get lucrative posts with ease while real genius cannot even find employment in the Government. Some of the officials who occupy lucrative posts are often removed after being in office only for a few months in order to make room for persons having stronger backing. When officials have no protection whatsoever and they are likely to be removed at any time, in spite of their records, they naturally think of some way to enrich themselves before they are removed from their posts. The present administrative system, so to speak, openly encourages corruption in officialdom. However, there are many ways to remedy the situation. In the first place the authority of the Central Goverhment must be upheld and efforts should be made to extend the authority of the Government to all corners of the country. Unless this is effectively done the Government cannot have any authority over the higher officials in the provinces. When the Government cannot prevent higher officials from practising corruption naturally nothing can be done to check small officials. So before anything can be done to purify officialdom the first thing to do is to build up a strong central government. Another point which should not be overlooked is that the administrative system in China is too complicated to permit the Government to exercise close supervision over officials.

The Mystery of the Ownership of "Oriental Affairs" Is Solved

The *People's Tribune* in a further discussion of the ownership of the *Oriental Affairs* says:—"In the opinion of *The People's Tribune*, all that Mr. Woodhead, the 'owner' of this 'all-British' journal, could claim to 'own' for the first six months was no more than a few sheets of copy-paper and a bottle of ink. Having solved this mystery, the Editor ot *The People's Tribune* expresses the hope that Mr. Woodhead will apologize to British and American officials for the trouble he has given them, one way and another, and also make calls of contrition at the offices of various Shanghai periodicals whose editors have suffered so many sleepless nights trying to solve the mystery."

"Havas," French News Service, Expands Activities

Readers of newspapers in the Far East, particularly Americans, will have noticed that *Havas*, the French news service, frequently chronicles important news, sometimes of an "unfavorable" nature (particularly from the United States) which *Reuter* or the *United Press* have passed over. *Havas* is making strong efforts at present to sell its service in the United States. The first paper to buy it was the New York *Evening Post*, rejuvenated by the Philadelphia publisher Stern who also owns the *Record* in the "City of Brotherly Love" Charges that it is French-government subsidized are met with the retort by *Havas* that the French government is a *customer*, not the *owner* of the service. *Agence Havas* is a private company.

How the Japanese Are Driving the British Out of the African Market

The serious nature of Japanese competition with British trade in the Empire overseas was emphasized in a report of C. Kemp, British Trade Commissioner in Africa, issued by the Department of Overseas Trade. In very many classes of goods, it is recorded, the imports from Japan last year increased by leaps and bounds, the explanation being the remarkably low prices at which the goods were sold. Bicycles from Japan were offered at 18s. per unit c.i.f., and upwards. Consequently, the 278 Japanese cycles imported in 1932 had grown to 1,533 in the following year. In hosiery, the Japanese quoted cardigans at 6d. each, singlets at 2s. 6d. per dozen, both c.i.f., and cotton socks at 36s. per gross delivered duty paid up-country station.

Who's Who in China

General Huang Hsu-chu, Government official; born at Jungyun, Kwangsi, 1893; studied Chinese classics during youth; attended Kwangsi Military School 1914-16; was graduated from the Peking Military College, 1918; started his military career as a company commander and rose successively to the positions of battalion commander, regimental commander, and chief staff officer; later he was promoted vice-commander of an Army Corps, in which capacity he participated in a war in Kwangtung and was wounded during action; promoted Commander of the Army Corps in 1930, when war broke out again between Kwangsi and Yunnan; during the war, Nanning, provincial Capital of Kwangsi, was besieged for about three months, during which he was charged with the duty of defence of the city, and finally succeeded in repulsing the attackers; elected Chairman of the Provincial Committee of Kwangsi, March 1931 and confirmed in the post in July of the same year, when the Provincial Government resumed functioning; he then resigned his military post and devoted himself to the administration of Kwangsi; he is well-known as an able administrator in China; address: Kwangsi Provincial Government, Nanning, Kwangsi.

黃旭初

Gen. Huang Hsu-chu (Huang Hsueh-chu)

黃旭初，廣西容縣人，生於一八九三年，幼肄業私塾，一九一六年畢業於廣西軍官學校，一九一八年畢業於北京陸軍大學，旋卽從事軍旅生活，歷任連長，營長，團長，參謀長等職，後升任副軍長參與廣東戰事，身負重創，一九三〇年正式升任軍長，時雲南與廣西戰事復起，氏兼任南甯警備司令，南甯被圍凡三月之久，終爲氏擊退，重圍始解，一九三一年被選爲廣西省政府委員會主席，是年七月由國府正式任命，旋卽辭去軍職，專任廣西行政事務，通訊處，廣西省政府。

Relief Sought for Both Flood and Drought Victims

Alarming flood reports having again been received from the District Magistrate of Changyuan, southern Hopei, the Yellow River Flood Relief Commission has decided to call a meeting at Tientsin to devise relief measures. General Yu Hsueh-chung, Chairman of the Hopei Provincial Government, and the various Provincial Departmental Commissioners are expected to be present at the meeting.

Latest investigations made by the Provincial Department of Civil Affairs show that altogether 54 districts in Honan province are afflicted by natural calamities, such as flood, drought, typhoon and hailstorms. The Provincial Government is petitioned to instruct the Provincial Department of Finance to make another survey in order to determine which districts should be exempted from payment of the farm tax.

Owing to the long drought, less than 20 per cent of the normal autumn crop can be expected this year in the district of Pukiang, central Chekiang, according to investigations conducted by the District Government. The District Government besides organizing a Drought Relief Fund-Raising Committee, has decided to petition the Chekiang Provincial Government to appropriate a sum of $1 million from the $20 millions "23rd Year Chekiang Provincial Loan" as security for cash loans to enforce labor relief in the district.

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Men and Events

Seventy-nine boys who attended the Foreign Y. M. C. A. count at Tsingtao this summer returned here Aug. 31 on the s.s. *Pao An.*

E. Carrard, general manager of the Cathay Hotels, Ltd. since 1929, has resigned. He will sail with Mrs. Carrard for Europe Sept. 11.

K. L. Kwong, the newly appointed Chinese Consul-General at San Francisco, left Shanghai for his post August 31 by the s.s. *General Pershing.*

Madame V. K. Wellington Koo, wife of the Chinese Minister to France, departed from Paris Sept. 4 to take passage on the s.s. *Conte Verde* for China.

Liu Wen-tao, Chinese minister to Italy, arrived in Shanghai during the week. Mr. Liu is expected to remain in China for half a year before retuming to his diplomatic post in Italy.

The National Conference of Child Welfare Leaders, to be called by the National Child Welfare Association of China, will hold its sessions on October 10 to 13 inclusive at Shanghai.

Canadian trade statistics show an increasing volume of business with both China and Japan. Among the articles which Canada supplies to China are newsprint, wheat, aluminum and salt herring.

All but 16 out of 174 passengers were drowned when a small (60-ton) Chinese-owned steamer *Tai-an* sank on the eastern coast of Liaoting pensnsula Aug. 31 as the result of overloading.

Judge Helmick of the U. S. Court for China issued an order Sept. 1 that in case an execution order yields no results, the judgment debtor may be required to submit to examination under oath in regard to his assets.

The record heat wave throughout the country brought Tsingtao, Shantung port famous famous for its sand beach, a record tourist business estimated to amount to $10,000,000, according to the official *Central News* Agency.

The death occurred in Copenhagen Aug. 31 of Mrs. Kirsten Meyer, wife of Vilhelm Meyer, head of Andersen, Meyer & Co. Ltd., an American coperation in Shanghai. She is survived by her hubsand and four daughters, of whom two are in England and the other two in China, and one small grand-daughter.

The autum term of the University of Shanghai was scheduled to open Sept. 6. Among the new members of the faculty are the following: Prof. C. S. Wong, Chinese literature; Dr. Raymond Tseng, industrial chemistry; Dr. T. T. Chiu, sociology; K. F. Lum, economics and sociology; Showpine Liu, physical education.

Rigid suppression of a popular form of gambling known as the "Flower Show" in Foochow City and Nantai, an island south of Foochow, has been ordered by General Chiang Kai-shek, in an injunction to the Fukien Provincial Government. The order threatens the operators of such gambling with the death penalty and the gamblers with heavy fines.

Funeral services were held in Shanghai Sept. 2 for the late Mrs. Woo Kee May, widow of the late Woo Kee May, a promment financial leader and one of the founders of the Chinese Co., S. V. C. She was the mother of four sons, Messrs. G. Y. Woo, B. Y. Woo, S. Y. Woo and Y. C. Woo, who are well known in local financial and social circles.

The French Overseas Development Society has formally and unconditionally approved the recent provisional contract signed between the South Manchuria Railway and Andre Dollivier, representative of the society, regarding its investment in Manchukuo, according to a recent report received by the Japanese Foreign Office, the *Nikkan Kogyo Shimbun* reported.

Official denial of the existence of a secret military accord between China and the Soviet Union was conveyed to Foreign Minister Koki Hirota in Tokyo, August 27 by General Tsiang Tso-ping, Chinese envoy to Japan. General Tsiang is understood to have taken this step in view of the recurrent publication of rumors to such effect by Japanese and European newspapers.

Criticism of the influence of Christian missionaries on the native population of Africa was made at the International Anthropological Congress at University College, London. The Rev. W. Groves said that one result of the Western influence on tribal customs in Nigeria was that instead of a man buying his wife by paying a lump sum he could now make the purchase by instalments.

There has of late been an increasing migration of Russians to Peiping and Tientsin, mainly as a result of the restless situation in the Chinese Eastern railway Zone. Several hundred of there Russians have collected at Peiping and as they are without employment it is stated that the Chinese authorities in the former capital intend to send them along to Tsingtao and Shanghai.

Stephen Bonsal, veteran war correspondent, for many years in the employ of James Gordon Bennett, is a visitor to Shanghai.

After nine months of work, the German 28,000-ton cruiser *Bayern*, which was sunk together with the rest of the German ships at Scapa Flow (England) in 1918, was refloated Sept. 1.

Ten schools established by overseas Chinese in Siam were recently closed by the government authorities in Siam on the ground of violation of the rules governing the new educational system adopted by the Siamese Government.

According to a trade agreement which went into effect Sept. 3 the United States and Cuba have mutually reduced various duties. Japanese telegrams mention that the result will be a considerable drop in the import of Japanese wares to Cuba. Japanese exports to Cuba during the first half of this year had increased five-fold over the previous six months, the total being more than U. S. $1,000,000.

At an inquest recently in Brixton, England, it was found that a forceps used in an operation 13 years previously had been sewn up in a woman's stomach, causing her continual pain. An operation on a warden of Sing Sing prison in the United States a short while back showed that a sponge had been left in his leg in a previous operation. The attending surgeon in the second operation thought he was operating for tumor.

There was a general exodus during the week of American war vessels from Tsingtao and Chefoo, where, following the usual custom, they have passed the summer. A large proportion of them will remain in Shanghai for several weeks. The U.S.S. flagship in the Far East *Augusta*, is due here Sept. 27 via Chinwangtao and will sail for Manila Oct. 5, and thence to Australia to take part in the Commonwealth's centenary celebrations.

The French Electric and Water-works Company have filed a civil action against three Chinese now held in custody by the Second Special District Court, on the charge of tampering with electric meters, stealing electricity during the past two years involoing a sum of $40,000. The three accused in question are the manager and accountant of a Chinese cotton mill, in the French Concession, and two workers allegedly employed by the electric company itself.

An exhibition of trotting horses from Australia was given at the Chinese Jockey Club Track in Chinese territory near Shanghai Aug. 25. The attendance, in the absence of the resual race track gambling features, was only moderate. Negotiations are now going of betwaen the Shanghai Trotting Club and the Chinese authorities to hold future meetings with the usual betting accessories. In the meantime the horses are being carefully groomed, the first exhibition showing that their condition was considerably below par.

It is reported from Nanking that the Government authorities may take steps to curb the number of divorces. Press reports state that in view of the rapidly increasing number of divorce cases in Chinese courts and the enormous amount of money frequently demanded for alimony, many Government leaders are suggesting that steps be taken to restrict such deplorable practices. It is understood that definite proposals are being drafted and that they may be shortly submitted to the Government for formal approval.

Omnibus Is Looted by Bandits Near Shanghai

Bandit activity against public vehicles has now reached the Shanghai vicinity. Shortly after 10 a.m., Sept. 4, the Shanghai-Minghong-Nantao bus was stopped at a point north of Wing Lin Station, near Chia Ho Chan, by four armed robbers who successfully escaped with $5,000 in cash and a number of valuables, all taken from the passengers. One of the bandits was killed and another wounded later, however, when surprised by police officers following the alarm raised after the hold-up. The officers attempted to search a quartette of strange men walking on a road in the neighborhood of Chia Ho Chan, and a running gun battle ensued. The chase went across field and stream until one of the bandits was shot dead, but his companions managed to swim a wide creek and escape, although one had been wounded in the leg. Twenty passengers were on the bus when the hold-up occurred.

Japanese Member of Municipal Council Resigns

The resignation of T. Funatsu from the membership of the Shanghai Municipal Council was officially announced by the Council Sept. 4. Pressure of business which frequently necessitates Mr. Funatsu's absence from Shanghai was given as reason for the resignation. Mr. Funatsu is director-general of the Japanese Cotton Millowners' Association in China. The Council Sept. 5 elected T. Yamamoto, N. Y. K. manager, as successor to Mr. Funatsu.

Junkers Plane Uses Southern Route in Flight to China

The huge three-engined Junkers plane Ju 52, which type the Eurasia Aviation Corporation intends to use on some of its lines, started from Berlin Aug. 30 for Shanghai taking the route Athens, Cairo, Bagdad, India and Bangkok. The plane was expected to arrive in Shanghai on September 6, the total distance amounting to about 15,000 kilometers. The plane is piloted by the manager of the German Luft Hansa, Mr. Gablenz. The choice of the southern route by way of India was made at the very last minute, as the situation in the province of Sinkiang made it inadvisable to fly the originally planned route over Russia and Central Asia.

This Junkers plane after its arrival here will be added to the fleet of airplanes of the same make and commissioned for the Canton-Peiping regular airmail and passenger service to be inaugurated by the Eurasia Aviation Corporation the Sino-German concern. According to present plans, two round trips will be made weekly on the Peiping-Canton line, covering the entire distance in a single day. As the new plane has a cruising speed of 2600 kilometers and a maximum speed of 290 kilometers, no stop-over in Sian, as required under the former schedule, will be necessary.

Air Raid Maneuvers at Tokyo

A mock raid of enemy airplanes on the Japanese capital was held Sept. 1 to train the city's three million inhabitants in defence measures to be employed in the event of war. Sirens and radio broadcasters, exactly at noon, warned the public of the approach of imaginary enemy planes. The city's defence forces immediately took their positions and the citizens prepared to evacuate their homes for safer places previously indicated by officials. Anti-aircraft guns boomed. The fliers simulated the dropping of deadly bombs. Officials later expressed appreciation of the care with which the public obeyed the official instructions for their conduct during the emergency.

American Aviator Breaks Speed Record—and Is Killed

After breaking the world's speed record for land planes at Cleveland, Ohio, Sept. 4, Douglas Davis of Atlanta, Georgia, crashed and was killed while in the lead in a later trophy event.

Japan to Establish Aerial Bases in Hokkaido

Suitable sites for aerial bases in Hokkaido and the Kurile Islands are being sought by the Japanese Navy as a means of counter-acting the projected establishment of United States aviation stations in the Aleutians, it was disclosed in Tokyo, Sept. 3. Vice-Admiral Shiozawa, chief of the Naval Aviation Bureau, on duty at present in northern waters with the Combined Fleet, has been ordered to make a thorough survey of the most northerly islands of the Japanese Empire with a view to finding favorable sites. According to information in official circles in Tokyo the United States definitely has decided to establish naval aviation bases both on the mainland of Alaska and in the Aleutian Islands immediately the Washington Naval Treaty is denounced by Japan.

The Japanese Communications Office on August 27 asked the Finance Office for an additional appropriation of Yen 120,000 in the next fiscal year's budget as the fund for opening regular air service between Japan Proper and North Chosen. According to the plan, the air line will extend over 1,018 kilometers, from Osaka to Ranan via Matsue. The craft to be used is an amphibian plane, and runs will begin in March, 1935, conducting a round-trip flight once a week.

Japanese Newspapers to Send Planes to Peiping

Taking the lead in civil aviation circles in Japan, the Tokyo and Osaka *Asahi Shimbun*, two of Japan's leading newspapers, intend to despatch their airplanes from Tokyo and Osaka to Peiping on a good-will flight across the Japan Sea, in the form of a trial trip preliminary to the opening a Japan-China commercial air route and in commemoration of the tenth anniversary of the good-will flight to Europe by an airplane belonging to the newspapers. Both machines were to have taken off simultaneously on Sept. 5, one from Haneda airport (Tokyo) and the other from Osaka airdrome, but the start was postponed owing to bad weather.

Roy Howard Advises Scrapping of Monroe Doctrine

The United States was strongly advised to forsake the Monroe doctrine if she expects to strengthen the goodwill of other nations, in a speech made by Roy W. Howard, chairman of the Scripps-Howard chain of newspapers and founder of the *United Press* Associations, on his arrival in Buenos Aires, Argentine, August 27. Mr. Howard, among other things, said, "We do not question the wisdom of James Monroe, the author of the doctrine, in proclaiming it in his day. As things stand now, however, the doctrine is rather defeating its own purpose. It is retarding the promotion of international goodwill."

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New Books of Interest in the Far East

China and Japan Viewed Through Clio Medica

Chinese Medicine, by William R. Morse, M.D., LL.D., F.A.C.S., dean of the Medical School, head of the Department of Anatomy, and Associate in Surgery in the West China Union University, Chengtu, Szechwan; published by Paul B. Hoeber, Inc., New York City, U.S.A. 185 *pages,* 16 *illustrations.*

Japanese Medicine, by Y. Fujikawa, M.D., translated from the German by John Rahrah, M.D., with a chapter on the recent history of medicine in Japan by Kageyas W. Amano, M.D., D.S.C. (Med.); published by Paul B. Hoeber, Inc., New York City, U.S.A. 114 *pages,* 8 *illustrations.*

These little volumes are part of Hoeber's *Clio Medica*, a series of primers on the history of medicine. That of Dr. Morse is considerably more than a mere history of Chinese medicine. It is also, in the opinion of this reviewer, the most brilliant and profound philosophical critique of classical Chinese culture that can be found in the English language, and it should be read by everyone who desires an insight into the native Celestial scheme of things. Nor is perusal difficult, for Dr. Morse—who has spent many years in China and is a competent sinologue—is not only able to expresse his intimate knowledge of medicine, both Chinese and western, in language comprehensible to laymen, but he likewise deals with philosophy in an extremely readable style. This reviewer, being a layman, obviously cannot criticize Dr. Morse's medical facts *per se*, but since his *bona fides* are unassailable these may be accepted without question.

Dr. Fujikawa deals with ancient Japanese medicine in a rather dry, purely factual manner, but he does it very competently. Native Japanese medicine, of course, was derived almost entirely from China, and so Dr. Morse's book suffices to describe its essential characteristics. Japan's medical culture, however, was influenced more early by the West than was that of China. Although in the days of Dutch penetration of Japan (in the first part of the 17th century), severe restrictions were imposed on the introduction of Western culture, medicine was generally excepted and thus Japan had some benefit from this phase of Western science considerably in advance of China. Both Dutch and German physicians were, in fact, responsible for founding semi-westernized schools of medicine in Japan during the Yedo period. Dr. Fujikawa's account of Japanese medicine ends with 1911 and Dr. Amano continues the record to the present time.

Dr. Morse begins with an outline of the philosophical reasoning and logic of the Chinese, which he correctly characterizes as "an intricate scholasticism which has been a hindrance to scientific progress."

"The ingenuity of their logic," he says, "is elaborate, shrewd and cunning; it is a sample of a study in comparative excellencies of intricate reasonings. As far as the science of medicine is concerned either their premises are false or their conclusions are wrong. The Chinese cosmology consists of an an unassailable cosmic theory, a rigid inelastic system entirely lacking the quickening influences of the critical open-minded test method. The principles and practices of Chinese medicine are founded on their theory of cosmology . . . Chinese practitioners of the art of healing have not for a thousand years possessed, and do not now possess, the habit of constantly searching for facts combined with a willingness to discard any previous opinion as soon as a new truth points the way to further improvement. Their philosophy tends to hold them *in status quo* rather than to inspire them with an investigating, benign desire for continued improvement."

Dr. Morse then discusses Chinese cosmology at some length. In the beginning was the "absolute nothing," or *wu chi*, which evolved of itself the "great absolute," or *t'ai chi*, which in turn generated by unions and disunions the "two vital essences of the universe," or *liang i*—the *Yang* and the *Yin*. The former is the positive, or male, principle, which is all that is good and strong, while the latter is the negative, or female, principle, which is all that is bad and weak. Out of *Yang* and *Yin* came the five elements—metal, wood, water, fire and earth—of which everything in the world, including man, is composed. "All the social processes of Chinese life, civilization and culture have their roots and origins in this theory." *Yang* and *Yin*, continually ebbing and flowing in varying proportions, form all and control all.

While viewed *in toto*, Chinese cosmology is utter nonsense, it contains, like the philosophical conceptions of Heraclitus and Lucretius, the germs of much sound theory. It is more scientific in the dialectical idea of a constant ebb and flow in nature than the immutable absolutism of Aristotle that provided the basis of medieval scholasticism in the Occident. But practically speaking, the native culture of China and Occidental scholasticism are equally unscientific and about on the same intellectual level. The West has progressed from that level with tremendous rapidity from 1500 to the present day; China has not except insofar as she has recently copied from the West.

In the realm of Chinese medicine, the unquestioned acceptance of the prevailing theory of cosmology naturally prevented any effort to make a scientific study of disease. Disease was simply a disturbance in the flow of *Yang* and *Yin*, which the best class of physicians diagnosed by subtle theories that bore virtually no relation to facts, while among the uneducated the blame was placed on actions of spirits, which formed a corollary of the *Yang* and *Yin* hypothesis. Further, "the teachings of Confucius and of religious sects hold that the body is sacred and must not be mutilated in any way." This prevented any development of anatomy, which, as in the West, might have been a shattering blow to scholasticism.

Only in *materia medica*, where some empiricism that was not wholly charlantanic existed, did Chinese physicians make any appreciable progress. "Chinese medical measures," says Dr. Morse, "cannot be all dismissed with a shrug and a sneer. There are undoubtedly very valuable medicines in their armamentarium, but, speaking broadly, their methods are unscientific, irrational and ineffective. It cannot reasonably be contradicted that their practices have their font and origin in their theory of Cosmogony." Astrology and various forms of magic were involved in the prescriptions of even the best physicians.

Medical practices are described in adequate detail by Dr. Morse, including such sympathetic magic as rubbing the feet of the brass lions in front of the Hongkong & Shanghai Bank in Shanghai. The spirit strength of the lion is believed to be transferred to the feet of those who patronize this shrine. The difficulties encounted by western medicine in China are also described. Outstanding, especially in the interior, is the attitude toward surgery. "Human beings (in China)," says Dr. Morse, "have been used as experimental laboratories in crude experimentation with drugs for thousands of years. If death occurs it is looked upon fatalistically, it is simply because the wrong medicine has been used. In surgery, if death follows it is murder. The old idea of 'a tooth for a tooth' holds in China and the doctor is held responsible for the death of a patient. A money payment, however, is commonly quite sufficient to satisfy relatives. With traditions, customs and psychology such as the are are, one could not expect many advances in China through anatomy, surgery and postmortem examinations." He adds, however, that the medical school graduates of the West China Union University "make good surgeons who are on a par with students and doctors of any country."

Dr. Morse's concluding chapter extends far beyond the realm of medicine in assaying the native culture of the Chinese.

"Their medical procedures," he says, "evolved to a high standard for the age in which they existed, up to approximately 1000 A.D. Since then there has been no advances in their practices to correspond to the four hundred years of Occidental progress.

"The Chinese theory of Cosmogony was primarily a metaphysical, philosophical, ethical theorem, on which, at a later date, veneer of religious practices has been grafted. Their theory is a based on a rigid scholastic arbitrary fixed law. Their philosophical background is unassailable. It has petrified any tendency toward continued creative evolution into a rigid theory of arbitrary and unchangeable practice. Their logic is carefully balanced and perfectly poised, nothing can upset it except truth as the modern scientific physicians view truth . . . . .

"(Nevertheless) there is no doubt that many (Chinese) physicians have been successful in their ministrations. Whether their premises were erroneous or not, many of their patients got well . . . . . Chinese medicine at its best is vitalistic, ours is materialistic. If the vitalistic side is entirely disregarded something vital is lost; if the materialistic side is overstressed we become too mechanical and there is loss . . . .

"Chinese culture and intelligence are not inferior, but China is stagnant and static, while the West is progressive and dynamic. The West has science and China has not. The former investigates and attempts to control nature's laws to huuan needs, while China's theory premises that what has begun must continue and man must adapt himself to nature . . . . Past-masters in sophisticated adaptions, the Chinese have a system that is not elastic or adaptable to new circumstances. That the Chinese healers . . . searched for facts is amply proved by their alchemy and their intricate deductions and methods in other procedures. They searched for and discovered facts. Some of these facts were themselves valuable and others were capable of great development. But there was not present a willingness to alter previous opinions as soon as new facts were presented. The latest information was either forced to conform to the old hypothesis or be discarded. Their minds were closed to scientific advancement in medicine soon after the preliminary stages were passed. Superstitions and bizarre medical practices, by individuals and groups secular and relgiious, occur in the West. The difference is, China is swamped in superstition while the West is emerging from it. . . . . .

"It cannot be gainsayed . . . that China discovered many excellent remedies. At the present time their medical procedures are only of academic interest to the medical and scientific historian and of perhaps more interest to the philosopher and metaphysician. As far as modern scientific medicine is concerned, speaking broadly, their procedures are of no actual value unless it is along the line of suggestive and psychological therapeutics."

In the opinion of this reviewer, however, it is doubtful if Chinese psychological therapeutics are of any real importance. Psychological processes depend on physiological processes, and not

vice versa; hence a scientific knowledge of psychology must be based on a scientific knowledge of physiology, which, as Dr. Morse clearly shows, is entirely lacking in native Chinese culture. In other words, Chinese medicine provides much data for a clinical study of the psychology of Celestial scholasticism rather than conclusions for scientific psychological theory and practice.

While, as Dr. Morse indicates, Western medicine is now making considerably headway in China, this country is still far, far behind Japan in medical as well as in other schientific fields. Japan today has not only applied Western medicine to such an extent that in public health she is even ahead of many Western countries, but some of her physicians in recent years have made important original contributions to medical science. Especially outstanding was Dr. Hideyo Noguchi, who did some remarkable work in the study of paresis and died in 1928 in consequence of his investigation of the cause of yellow fever. Compared to the most advanced Western countries, Japan is still somewhat backward in science generally,—but in medicine she is today practically on a par with the most highly developed lands of the West.

W. B.

Japanese Chinaware to Be Shipped in Restricted Quantities to N.E.I.

After being interrupted for more than a month, inter governmental trade negotiations between the Japanese and the Netherlands colonial governments were resumed in Batavia August 28. The Netherlands East Indies government, to ease the situation, agreed to a modification of the limitation order against Japanese chinaware.

Formal notification of the abrogation of the executive order drastically limiting Japanese ceramic imports to the Netherlands East Indies was received by the Japanese delegation to the inter-governmental negotiations August 30. Japanese telegrams pointed out that the Javanese population relies on cheap Japanese chinaware for their household utensils, and that prolonged absence of Japanese wares would cause a stiff rise in the retail prices of such goods.

Voluntary restriction of Japanese chinaware exports to the Netherlands East Indies from now until December 31 to 4,400 tons was resolved upon Aug. 30 by the Federation of Japanese Ceramics Exporters' Unions. This is aimed at keeping the total volume of ceramic exports to the Netherlands eastern possessions to 50,400 tons, the same amount as last year.

Juro Takei, described as a Japanese authority on Netherlands-Indies affairs, was deported by the Netherlands authorities Aug. 27 as a result of articles which had contributed to vernacular papers.

Japanese to Send Good-Will Envoy to Britain

Financial and commercial circles in Tokyo are considering the sending of a good-will envoy to Great Britain in an effort to bring about better understanding between Japanese and British industrialists, the *Chugai Shogyo Shimpo*, influential commercial daily, stated August 27. The envoy would, in a way, return the the call which will soon be made by a mission being sent to Japan and Manchukuo by the Federation of British Industries, the journal said. Business circles, the newspaper added, were confident that much could be achieved to create a better feeling between Great Britain and Japan if a capable representative is sent, in view of the successes achieved by Koiiro Matsukata, industrialist, and Prince Fumimaro Konoye, president of the House of Peers, in their recent private good-will trips to the United States.

Chun Shan Road Land Owners Ordered to Build Houses

The Nanking government has ordered property owners along the Chun Shan (Sun Yat-sen) Road, the main thoroughfare of Nanking, who hold undeveloped land, to construct buildings on their land immediately or it will be taken over by the Municipal Government at a price to be fixed by the authorities. The municipal authorities are dissatisfied with the fact that there has been very little building construction along the Chun Shan Road, especially the section between Yi Chiang Gate and the Drum Tower. This is mostly due to the exorbitant prices put up by owners of land along the road.

Soviets to Compensate British Lena Gold Field Owners

The Soviet government and the British owners of the Lena Gold fields concession in Siberia have agreed in principle on a settlement of the longstanding controversy over the cancellation of the lease. It is understood the settlement will be made on the basis of compensation by the U.S.S.R. of approximately 2,000,000 pounds sterling to the company.

New English Publications

THE DEVELOPMENT OF THE AGRARIAN MOVEMENT AND AGRARIAN LEGISLATION IN CHINA

By Jefferson D. H. Lamb Price, $1.60

While farmers constitute seventy-five per cent of the population of China, little attention has been paid to the agrarian problem. This book of fourteen chapters contains a comprehensive review of the Chinese land system, the agricultural policy of the National Government, a study of agricultural economics, an account of the Farmer's Movement, and an analysis of the agrarian legislation enacted during the past eighteen years. The book represents a piece of solid work on the research of the subject.

ON CHINESE STUDIES

By Kiang Kang-hu Price, $4.00

The author has for the past twenty years been engaged in the interpretation and introduction of Chinese culture to students of foreign countries. Many of his English writings have been published in periodicals and newspapers in Europe and America.

This volums is classified in forty chapters all concentrating on the study of Chineese culture under its various headings. The book not only serves best as an introduction of Chinese studies to Westerners, but also is a valuable reference work in English for advanced students as well as teachers of this country.

SOCIAL PATHOLOGY IN CHINA

By H. D. Lamson Price, $4.00

The author, having taught, for six years, courses in Social Problems at the University of Shanghai, is well qualified in writing this pioneer work in a field hitherto seldom explored in such a systematic and comprehehensive manner. "The primary purpose," in the word of the author, "in writing this book is to furnish college students in China a source book for the study of the fundamental social problems—livelihood, health, and the family—as they exist in China to-day."

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The Dismemberment of China

By T. A. BISSON

with the aid of the Research Staff of the Foreign Policy Association

JAPAN'S recent conquest of Manchuria and Jehol has rounded out ninety years of territorial losses by China, starting with the British annexation of Hongkong in 1842. During this period China has lost control of roughly 2,400,000 square miles of territory out of a total of nearly 4,500,000 once ruled by the Manchu empire. Of these lost territories, France has annexed Indo-China; Britain has taken Hongkong, Upper Burma, and Sikkim, and dominates Tibet; Japan has annexed Korea, Formosa and the Pescadores, and controls Manchuria and Jehol; and the Soviet Union dominates Outer Mongolia. While the seizure of Manchuria therefore constitutes merely the latest in a long series of similar episodes, it also has a special significance with respect to developments in the immediate future. For the loss of Manchuria has had an unsettling effect throughout the remaining outlying territories of China, and may be the prelude to a new era of territorial dismemberment.

The seriousness of this threat becomes clearer when it is realized that the eighteen provinces of China proper have been dominated historically by a double ring of outlying territories. The outer ring consists of Manchuria, Outer Mongolia, Sinkiang and Tibet. Three of these areas are already subject to foreign control, while the fourth —Sinkiang, or Chinese Turkestan—is now in the throes of political upheaval. The inner ring consists of Inner Mongolia on the north and "Inner" Tibet on the west, separated by the narrow western tongue of Kansu province. Inner Mongolia has been recently organized into the four new provinces of Jehol, Chahar, Suiyuan and Ninghsia.[1] Of these, Japan now occupies Jehol and the strategic eastern edge of Chahar, near the city of Dolonor, which dominates the passes leading further into Mongolia. "Inner" Tibet is composed of the newly organized provinces of Chinghai[2] and Hsikang.[3] During the past two years large sections of Chinghai and Hsikang provinces have been occupied by British-trained Tibetan troops.

China's outer ring of territories has thus been almost wholly lost, while the inner ring is under partial foreign occupation and in immediate danger of complete alienation. The role of China's land frontier, as contrasted with its maritime frontier, lends particular importance to the growing encroachments of foreign powers on its outlying territories.

China's Land and Sea Frontiers

China's historic frontier, symbolized by the Great Wall, has been the vast inland region embraced by Manchuria, Mongolia, Sinkiang and Tibet. From these regions, particularly on the north, successive conquests of the more settled and prosperous sections of China have been launched. When China was weak and the shock overwhelming, the assaults were met by the slow process of assimilating the barbarian conquerors. When China was strong, imperial policy was primarily concerned with playing one tribal group off against another on the frontier. The most recent examples of this process were the Mongol Dynasty (1270-1368) and the Manchu Dynasty (1644-1921). Both experienced the traditional course of internal decay under the enervating influences of the advanced Chinese civilization, resulting finally in the restoration of Chinese rule. While the Manchu dynasty was still young and vigorous, however, its frontier policy, particularly in relation to the Mongols, achieved a series of triumphs in the classic style of China's imperial diplomacy.

Early in the nineteenth century, the Manchu rulers were confronted with a totally new threat in the shape of Western aggression. The attack came by way of the sea, and utilized the modern machine techniques of the West. Past experience, gained in dealing with the customary barbarian incursions over China's land frontier, furnished no guide to the Manchus in meeting the new and incalculable dangers of this maritime onslaught by a technically advanced people.[4] Nor could the Westerners, who operated from distant countries and did not settle permanently in China, be easily assimilated. The attempt to play one Western power against another ended in a series of disasters. China's coastal areas were overrun, and one territory after another was seized. Foreign leaseholds, concessions and settlements were established in the very heart of the country. All the paraphernalia of modern economic imperialism was imposed on China, including loans, indemnities, railway concessions, customs control, extraterritoriality, and the acceptance of foreign naval and military occupation.

For a brief period, following the end of the World War, China's nationalist revival promised to reverse the trend of foreign aggression, which had apparently reached its climax in Japan's twenty-one demands of 1915. From 1917 to 1931 an increasingly vigorous campaign was waged against the "unequal treaties," and a series of notable victories markedly improved China's international status.[5] In September 1931, with the beginning of Japanese military operations in Manchuria, this gradual curtailment of foreign rights in China was sharply checked. Japan's seizure of Manchuria and Jehol constituted, in fact, a new climax in the story of the past century of foreign aggression in China. In one sense it represented the culmination of the maritime onslaught from the West, since both in the approach by sea and the use of modern technique Japan was following the typical pattern of a Western power.[6] On the other hand, the creation of Manchukuo bids fair to usher in a new epoch of Chinese history, in which the play of continental policies and ambitions may once again occupy the center of the stage.[6a] For Manchukuo sets Japan astride the northern edge of China's land frontier, and looks inland toward Mongolia for expansion. Furthermore, two Western powers—the Soviet Union in Outer Mongolia and Great Britain in Tibet—have also taken up positions on China's land frontier. This newly forged continental ring of foreign powers is further rounded out on the south, where French influence is reaching up from Indo-China into Yunnan province.

Between the territorial possessions of the foreign powers on China's land and sea frontiers lie three disputed regions —Inner Mongloia, Sinkiang, and "Inner" Tibet. Each of these areas is at present in upheaval, with Chinese rule threatened either by internal revolt, or foreign aggression, or both. Each of these areas is also subject to the conflicting interests of two or more of the foreign powers. Inner Mongolia constitutes a sphere of conflict between Japan and the Soviet Union, Sinkiang between the Soviet Union and Great Britain, and certain Yunnan border regions between Great Britain and France. In the course of the next few years the results of the rivalries over these areas will not only determine the extent to which China is able to maintain its territorial integrity, but will also go far in deciding the future balance of power in the Far East.

Race and Religion of the Border

International rivalries on China's land frontier are conditioned by unique racial and religious factors. The racial composition of China's outlying territories is exceedingly varied. In only one section—Manchuria—have the Chinese become the predominant element in the population. The Manchus have virtually ceased to exist as a separate race and nationality. Both in language and culture they have been almost completely assimilated by the Chinese. As a political entity the Manchus consequently provide a relatively weak support for the new Manchuiran regime sponsored by the Japanese, except in one respect—the position held by Pu Yi as a scion of the old Manchu ruling house.

Outside Manchuria the Chinese are nearly everywhere a small minority of both the inner and outer frontier populations. The Mongols total approximately five millions. They are most numerous in Inner and Outer Mongolia, but considerable numbers of them are also located in western Manchuria, northern Sinkiang, Chinghai and Tibet. In contrast to the Manchus, the Mongols have stubbornly retained their racial identity. Intermarriage between Mongol and Chinese is rare; when it occurs, the latter is usually forced to make the adaptation to Mongol ways of life.[7] As a result, Mongol national consciousness has not only survived as a vital force, but is undergoing a renaissance which makes it a political factor to be reckoned with at the present time.

The Moslems constitute another important racial group on the frontier, particularly in Kansu and Sinkiang. In all, there are possibly ten million Chinese Moslems.[8] They retain their own religious faith and practices, but in other respects have been partially assimilated. This procees, however, did not prevent the widespread Moslem revolts of the nineteenth century, which were backed by a distinctive racial and national consciousness. Moslem separatism threatens to play an equally significant role in the events now taking place on China's western frontier.

A second unique factor affecting China's border areas is the Lama religion—a form of Buddhism with an elaborate ritual, a complicated clerical hierarchy, and a highly developed monastic system. Although centered in Tibet, particularly in the holy city of Lhasa, Lamaism has also become the chief religion of the Mongols; its influence therefore radiates throughout China's land frontier. Over the Lamaistic hierarchy preside the Dalai Lama and the Panchan Lama. Despite the fact that the latter represents

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1. Certain small sections of some of the northern provinces of China proper were also incorporated in these new provinces. Cf. M. T. Z. Tyau, *Two Years of Nationalist China* (Shanghai, Kelly and Walsh, 1930), p. 72-78.
2. Consisting of Kokonor and the Hsining district of Kansu province. *Ibid.*, p. 72.
3. Formerly the Chuanpien Special District of western Szechuan province. *Ibid.*
4. Cf. discussion by Owen Lattimore, *Manchuria: Cradle of Conflict* (New York, Macmillan, 1932), p. 296-298.
5. For a detailed study of this period, cf. Robert T. Pollard, *China's Foreign Relations, 1917-1931* (New York, Macmillan, 1933).
6. Lattimore, *Manchuria: Cradle of Conflict*, cited, p. 86-87.
6a. Cf. *Empire in the East* (New York, Doubleday Doran, 1934), p. 20.
7. Lattimore, *Manchuria: Cradle of Conflict*, cited, p. 53-54.
8. K. S. Latourette, *The Chinese: Their History and Culture* (New York, Macmillan, 1934), Vol. II, p. 170-172.

a higher reincarnation of the Buddha, the Dalai Lama has in recent times wielded secular power in Tibet. For political reasons, the Panchan Lama has been in exile in China since 1924.

The Three Mongolias

The founders of the Manchu dynasty originally conquered China in the middle of the seventeenth century on the basis of an alliance with the Manchurian Mongols.[9] They then proceeded to establish their hegemony in Inner Mongolia, and from this vantage point were enabled to dominate the Mongol tribes of Outer Mongolia.[10] Thereafter, for nearly 300 years, the Manchus held their mastery over China's land frontier. Even in 1911, when the dynasty was on the point of collapse, it still maintained its grip on the continental area from Tibet to Manchuria. With the establishment of the republic in 1912, the frontier system which the Manchus had enforced finally broke down. The common allegiance to the Manchu Emperor which had cemented the Mongol and other border peoples to China was irremediably undermined. Tibet and Outer Mongolia at once broke away from the Chinese republic.

Since 1912 four distinct political regimes have held control in Outer Mongolia. The first of these, which lasted from 1912 to 1918, was largely dominated by Tsarist Russia. A brief period of Chinese rule occurred in 1919-1920, succeeded by an even shorter interval of control by the White Russian adventurer, Baron Ungern von Sternberg. Both these regimes were under Japanese influence. Baron Ungern's defeat by Soviet forces was followed, on July 6, 1921, by the establishment of the revolutionary Mongol People's Govrenment at Urga. Four years later, following treaty recognition of China's sovereignty on May 31, 1924, Soviet troops were withdrawn from Outer Mongolia. Since then, however, the Mongolian People's party has dominated the government, and Soviet advisers have been retained in many important positions.

Soviet dominance in Outer Mongolia has rested on the support, of the younger Mongols, who feel that the traditional Mongol way must be drastically reformed in order to cope with modern problems. Enrolled in the Mongolian People's party, these younger leaders have effectually dispossessed the older privileged classes of nobles and lamas. Under Soviet guidance, they are building a socialized Outer Mongolian state, so far as permitted by the limited agricultural and industrial development of an economy based chiefly on cattle raising. The stability of this regime depends on the continued adherence of the younger Mongols. From present indications its overthrow can hardly be accomplished except by outside intervention —an issue which leads to a consideration of Chinese and Japanese policy with regard to the Mongol question.

Following the collapse of the Manchu dynasty, the Mongol princes of Inner Mongolia made several abortive efforts to establish their independence through a union with Outer Mongolia.[11] Their failure was due partly to jealousy of the Outer Mongolian princes and fear of Russia, but more largely to a feeling of confidence in their ability to deal with republican China. In this latter respect they were grievously disappointed, despite preliminary successes in driving out the Chinese troops. Railway construction, both in Manchuria and north China, led to an influx of Chinese agricultural settlers which steadily dispossessed the Mongols of their best grazing lands. Through their ability to obtain foreign arms, the Chinese military forces eventually established a decided superiority over the Mongols. Political and economic impacts coalesced in the persons of the local Chinese officials, who were heavily interested in the land deals attending the colonization movement.[12] The crowning blow came in 1928, when Inner Mongolia was divided into the four provinces of Jehol, Chahar, Suiyuan, and Ninghsia. The newly established provincial boundary lines cut ruthlessly across the Mongol tribal and league frontiers, contributing still further to the Mongols' disunity and facilitating their ultimate absorption by the Chinese.

By 1931 a well-established course had been marked out in Mongolian affairs. In Outer Mongolia a revolutionary Mongol nationalism was building an increasingly socialized state under Soviet auspices. In Manchuria and Inner Mongolia, the Mongol princes were hopelessly enmeshed in a steadily enveloping movement of Chinese aggression. Since the early beginnings of the Chinese colonization movement, the Mongols had lost about two-thirds of their territory in Jehol, and about a third in Manchuria.[13] Other Mongol territories in Suiyuan and Chahar provinces had been either wholly or in large part settled by Chinese. Only the Silingol territory, a long strip in northern Chahar province, had entirely escaped colonization. At this juncture, however, the Japanese

9. Lattimore, "Mongolia Enters World Affairs," *Pacific Affairs*, March 1934, p. 16. 26; also Lattimore, "The Unknown Frontier of Manchuria," *Foreign Affairs*, January 1933, p. 315, 319.

10. Manchu overlordship was built on Mongol disunity. The descendants of the heirs of Jenghis Khan, founder of the Mongol dynasty, had split into rival factions. No single Mongol leader was generally acceptable to all factions, and none had arisen powerful enough to enforce his claim to supremacy. The genius of the Manchu policy lay in the fact that, though the Mongols accepted the Manchu hegemony, they thought of themselves always as the allies and equals of the Manchu rulers, and for the most part retained their autonomy.

11. Lattimore, "Mongolia Enters World Affairs," cited, p. 17-18.

12. For an analysis of the Chinese official as entrepreneur in the colonization movement, cf. Lattimore, *Manchuria: Cradle of Conflict*, cited, Chapter VI.

13. Lattimore, "Mongolia Enters World Affairs," cited, p. 19, 23.

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occupation of Manchuria contributed a new factor which totally altered the situation.

The creation of Manchukuo, including the Inner Mongolian province of Jehol, has resulted in the existence of three separate Mongolias, respectively under Japanese, Chinese and Soviet influence. Although the Mongolian territory within Manchukuo hardly exceeds 100,000 square miles, it holds a Mongolian population of approximately 2,000,000 . Outer Mongolia, with a million square miles of territory, contains only about 1,000,000 Mongols. The sections of inner Mongolia still under Chinese rule also contain about 1,000,000 Mongols.[14] Japan. therefore, controls the destinies of a greater section of the Mongol people than either China or the Soviet Union.

Nor has Japan failed to take advantage of the situation thus created. The Mongolian section of Manchukuo has been newly formed into a separate province—named Hsingan—which has been placed under a Mongol governor.[15] Local officials in Hsingan province are drawn mainly from the lesser Mongol tribal leaders. Mongol autonomy in this province even includes the right of the Mongols to levy and arm their own military forces. Equally important economic advantages have been conferred on the Hsingan Mongols, of which the most significant is the guarantee against further encroachment on Mongol lands by Chinese agricultural settlers. Aided by this liberal Mongol policy, the strategic location of Hsingna province fits it to become the nucleus of a large Mongol bloc serving the national interests of the conservative princes. In the neighboring Chinese provinces, the Mongol tribes and league are in some cases split off from their kinsmen in Manchukuo by the arbitrarily created provincial boundary lines. The uncolonized Silingol territory of northern Chahar province, where conservative Mongol national sentiment is most assertive, borders directly on Hsingan. Finally, the enthronement of Pu Yi as Emperor of Manchukuo, effected on March 1, 1924, satisfies the Mongol princes that the Japnaese are committed to the new status established in Manchuria. Under Emperor Kang Te the princes can unite to establish an autonomous Mongol regime on a national scale. He offers an alternative not only to Chinese penetration in Inner Mongolia but also to the revolutionary nationalism of Outer Mongolia, which would equally sweep away the privileges of the Mongol lamas and princes.

Under these circumstances, the recent appearance of a Mongol autonomy movement in Chinese Inner Mongolia was a natural development. The leadership in this movement has been assumed by a prince of the Silingol league, known by his Chinese name and title of Te Wang.[16] Prince Te's immediate objective has been to overthrow the dual Chinese control—represented by the Mongolian and Tibetan Affairs Commission at Nanking and by the local provincial officials—to which the Mongols have been subjected in recent years. Under this system, Mongol complaints have been shuffled back and forth between the national and local officials without ever reaching final settlement. The Mongol princes have demanded that their territories in Chahar and Suiyuan should constitute a separate Mongol province, not only with internal tribal autonomy but also with a Mongol governor who could deal directly with the national authorities at Nanking.

In September 1933 the Nanking government sent special representatives to north China to deal with the issues raised by the Mongol demands. Negotiations between the princes and the Nanking delegates eventaully resulted in an agreement to set up a "special administrative area," consisting of the Mongol territories in Chahar and Suiyuan, which would have direct relations with Nanking.[17] This agreement, however, was bitterly opposed by the Chinese provincial officials, and has not been put into effect. Instead, the Nanking government has attempted to enforce an alternative scheme, advocated by the local Chinese officials, whereby certain Mongol districts within the existing provinces would be set up as autonomous units.[18]

So far, under Te Wang's lead, the Inner Mongolian princes have dealt mainly with Nanking. In this respect, however, they are merely playing for time before the larger Soviet-Japanese issues are raised.[19] The actaul choice confronting the Mongols is between revolutionary nationalism in association with the Soviet Union and conservative nationalism under the auspices of Japan.[20] With the appearance of Manchukuo, the Mongol princes have been offered the hope of survival on the basis of their old traditions. The princes know that the revolutionary regime in Outer Mongolia, despite its strength, rests on minority support; that the older generation has not yet died out, and still provides the material for a counter-revolution. With this in mind, they see the possibility of re-establishing a Mongol nation unified along conservative lines and virtually independent, except for allegiance to the Manchukuo Emperor. On the other hand, the princes represent a decaying and backward tradition, nad in recent years have compromised themselves by placing their class interests above the national welfare. Their power is further sapped by a strong Young Mongol movement, still largely underground, which advocates a program of thoroughgoing "modernization."[21] The young Mongols are now only partially Communistic, but in order to counteract the present drift toward Manchukuo they may be compelled to seek aid from Outer Mongolia. Such a development would also unite the Mongol people, but on the basis of a social revolution led by the younger Mongols in cooperation with the Soviet Union.

Japan and the Soviet Union thus face each other in Mongolia as the champions of divergent class interests among the Mongols. The ultimate political stakes in this region, however, far transcend the interplay of local Mongolian forces. Mongolia's vast land area constitutes an important military flank against which decisive operations may be directed in the event of a Soviet-Japanese clash.[22] By setting up the broadly autonomous Hsingan province, Japan has made a bid to the dissatisfied Mongol princes in the neighboring Chinese-ruled provinces of Chahar and Suiyuan. So long as China, retains control of this buffer area, a tolerable balance of power exists between Japan and the Soviet Union. Neither power, however can look with equanimity on the absorption of this region by the other. The Mongol autonomy movement, as well as the activities of Japanese forces in the Dolonor area of Chahar province,[23] are indications of the temporary and precarious character of the existing balance. Under the circumstances, the Mongols occupy a strategic position which confers on their movements an importance far superior to their real strength. Vigorous Mongol action at this juncture can influence the result of a struggle which may determine the possibility of national survival for the Mongols, as well as the basis on which their national life is to be established

"Inner" Tibet

For fifty years the strategic position of Tibet in Central Asia has made it the focus of international rivalries, chiefly between China, Great Britain and Russia. The Mongol, Ming and Manchu dynasties had successively asserted and maintained suzerainty over Tibet. During the nineteenth century, while the Manchu empire was declining, Britain was extending its control in north India. The elimination of Manchu-Tibetan influence in Nepal, Bhutan and Sikkim toward the end of the century brought the British sphere into direct contact with Tibet. By 1900 Britain had come to regard Tibet as a frontier outpost of India, particularly useful as a buffer against the Russian advanced from the north.

Early in 1904 ,a British expedition under Colonel Younghusband was sent into Tibet to counteract the growing Russian influence and enforce trade agreements which the Tibetan authorities were disregarding. The mission was attacked by the Tibetans, who killed 37 British soldiers and themselves lost 1,500 men.[24] Lhasa was entered by the British forces on August 3, after the Dalai Lama had fled to Mongolia, and a convention was signed on September 1, 1904. This convention levied an indemnity of £500,000 on Tibet, opened three Tibetan cities as trade marts, and specified that British troops might occupy the Chumbi valley for three years after these provisions had been fulfilled. Tibet also agreed not to pledge its revenues nor grant territorial or commercial concessions to any foreign power "without the previous consent of the British government."[25]

Vigorous Manchu action from 1908 to 1911 partially counteracted Britain's growing influence in Tibetan affairs. In January 1908 China paid off the Tibetan indemnity, which Britain had meanwhile reduced by two-thirds. The Chumbi valley was then evacuated, although British garrisons were left at the trade marts. In December 1909 the Dalai Lama returned to Lhasa but early in 1910 fear of the Manchu authorities caused him to flee to India, where he was cordially received by the British authorities who paid the expenses of his residence at Darjeeling for nearly two years.[26] The outbreak of the Chinese revolution in 1911 disrupted the Manchu garrison in Tibet and led to its expulsion by the Tibetans.

The founding of the Republic thus saw the removal of the last vestiges of control which the Manchus had exercised in Tibet. In December 1912 Britain restored the Dalai Lama to power, and through his influence and friendship established a supremacy which has since been virtually unchallenged. Efforts of Yuan Shih-kai to reconquer Tibet with republican troops in 1912 were frustrated by Britain's intervention, which barred Chinese forces from entering Tibet. The last comprehensive effort to settle Tibetan issues was made at a triangular conference between British, Chinese and Tibetan representatives held at Simla, in British India, from October 1913 to July 1914. As a result of this conference, Great Britain and Tibet concluded a convention setting up an "Inner" and "Outer" Tibet. The former was to be controlled directly by China, the latter would become "an autonomous state under Chinese suzerainty and

14. *Ibid.*, p. 22.
15. *Ibid.*, p. 19-20.
16. Cf. Lattimore, "Mongolia Enters World Affairs," cited, p. 24-25.
17. *New York Herald Tribune*, December 31, 1933.
18. This proposal has been denounced by the Mongol princes as a repudiation of the original agreement. *New York Times*, January 28, 1934.
19. Lattimore, "Mongolia Enters World Affairs," cited, p. 25; "The Unknown Frontier of Manchuria," cited, p. 329.
20. Lattimore, "Mongolia Enters World Affairs," cited, p. 24, 27-28.
21. *Ibid.*, p. 27; also "The Unknown Frontier of Manchuria," cited, p. 329.
22. Lattimore, "Mongolia Enters World Affairs," cited, p. 21-22.
23. For Japanese road-building, construction of airplane bases ann other activities in this area, cf. *New York Times*, March 28, April 4, 19, 1934.
24. Morse and MacNair, *Far Eastern International Relations* (New York, Houghton Mifflin, 1931), p. 558-559.
25. *British Foreign and State Papers*, Vol. 98, p. 148-150.
26. David Macdonald, *Twenty Years in Tibet* (Philadelphia, Lippincott, 1932), p. 98.

British protection." Inner Tibet, in this convention, took in sections of western Ssuchuan and Kansu provinces which had been conquered by the Manchus nearly two hundred years earlier. Outer Tibet, moreover, was so drawn as to include the Chiamdo area, which at the time was under direct Chinese administration. This agreement, though accepted by the Chinese delegates, was at once repudiated by the Chinese government. Britain, howeve,r notified China that the Anglo-Tibetan convention was binding, and proceeded to exclude China from trade advantages in Tibet until the Chinese government should have officially recognized the new status.[27] No such recognition has ever been extended.

Since 1914 British influence in Tibetan affairs has steadily increased, both politically and economically.[28] Growth of trade with India has made the Indian rupee dominant in Tibet. A British visa is required for entrance via the main route from India; access by way of China is virtually barred. The extension of the Indian telegraph line from Gyantse to Lhasa, a British enterprise paid for by the Tibetan government, was completed in 1923. British political officers visit Tibet each year for varying periods, and British consular officers regularly perform political functions. The Tibetan administration is being increasingly staffed with Tibetan returned students from England. Finally, with the approval of the Government of India, the Tibetan army has been partially modernized through the training given by "the British and Indian officers of the Trade Agents' escort" at Gyantse.[29]

Within recent years, this reorganized army has been steadily advancing into "inner" Tibet. In defense of such action, the Tibetan authorities can point to the fact that, prior to its conquest by the Manchus in 1927, this region had been part of Tibet. On the other hand it had since been partially occupied by Chinese settlers, and the Anglo-Tibetan convention of 1914 had recognized China's right of direct administration. A long period of desultory Sino-Tibetan fighting over the Chiamdo area was definitely resolved in favor of Tibet by an agreement signed on August 19, 1918.[30] It was partly to offset the historic Tibetan claim and partly to counteract immediate Tibetan pressure that the Nanking government reconstituted much of "Inner" Tibet as Hsikang and Chinghai provinces in 1928. Early in 1932, however, the Tibetans initiated a far-reaching advance which has led to their occupation of a large section of Hsikang and Chinghai provinces.[31] Since no British troops or officials are directly involved in these operations, Britain is in a position to disclaim any immediate responsibility. Tibet, on the other hand, is able to claim that it is merely restoring its historic boundary.

With the death of the Dalai Lama on December 17, 1933, a new factor of paramount importance entered into the complicated Tibetan situation. For over twenty years Britaish dominance of Tibetan policy has rested on the friendly relationship maintained with the Dalai Lama. The latter's supremacy in Tibetan internal affairs has been unquestioned since the Panchan Lama was driven out in 1924.[32] During these years, the Panchan Lama has lived in Manchuria and Inner Mongolia. He receives a large subsidy[33] from the Nanking government, and is an important member of the Commission on Tibetan and Mongolian affairs. The Dalai Lama's death has presented the Panchan Lama with an unusually favorable opportunity of returning to Tibet. A large proportion of the powerful Tibetan ecclesiastics, confined not only to the Panchan Lama's supporters, have been antagonized by the "modernization" policy of the Dalai Lama and his Ministers of State, and the present juncture offers them an opportunity to regain control of Tibetan internal affairs. On the other hand, the unusually hurried selection of the Dalai Lama's successor, announced on January 9, 1934, was apparently carried out by the pro-British coterie at Lahasa.[34] Under these circumstances, the Panchan Lama has shown no immediate intention of retunring to Tibet.

Revolt In Sinkiang

The vast western territory of Chinese Turkistan has been more or less closely attached to China since the Han dynasty, at the beginning of the Christian era. Following suppression of the great

27. Morse and MacNair, *Far Eastern International Relations*, cited, p. 562.
28. For details, cf. Macdonald, *Twenty Years in Tibet*, cited.
29. *Ibid.*, p. 155.
30. This agreement was negotiated by Eric Teichman, a British consular officer on the Sino-Tibetan frontier. *Ibid.*, p. 174.
31. *New York Times*, August 14, 21, September 12, October 16, November 27, 1932; December 4, 20, 1933.
32. The Panchan Lama's eviction resulted chiefly from complications arising out of the expansion of the Tibetan standing army after 1920, following the visit of a British mission under Sir Charles Bell to Lhasa. Both the powerful monasteries and the common people were opposed to the increased financial burdens involved in this policy. When additional funds for military purposes were demanded from his monastery at Tashihlunpo, the Panchen Lama was placed in an intolerable situation. Meeting no response from his appeal to the British Agent, he finally fled from Tibet and took rfuge in China. Macdonald, *Twenty Years in Tibet*, cited p. 230-231.
33. Reputed to total $400,000 Mex. annually.
34. The complicated traditional process involved in the selection of a new Dalai Lama, whose spirit is supposedly reincarnated in an infant born at the moment of his passing, usually occupies a period of several years. In the present case, the choice was not only rushed beyond all precedent, but by a coincidence the infant was discovered in the environs of Lhasa, when he might have appeared in any quarter of the far-spread Lama territories. Cf. Rodney Bilbert, "Hokum on the Potala?" *New York Herald Tribune*, January 14, 1934.

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THE CHINA WEEKLY REVIEW
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Moslem revolt of 1864-1877 in westren China, the Manchu rulers reorganized Trukistan as China's nineteenth province under the name of Sinkiang, or the New Dominion. Although its size and remoteness places it in the category of Tibet and Outer Mongolia, Sinkiang has until recently been one of the best-ruled and most stable areas of China. The Chinese inhabitants constitute a minority of some 150,000 out of a total population of possibly three or four millions.

Sinkiang is roughly divided into a northern and southern section by the Tien Shan range.[35] The southern oases circling the Taklamakan desert from Hami through Karashar to Kashgar and Khotan are inhabited chiefly by a Turki people, of mixed racial stock yet speaking an old and pure Turkish dialect. In the southwest, the region of Kashgaria is the center of a caravan trade with British India and Afghanistan.[36] North of the Tien Shan range lies the smaller but politically more important section of Sinkiang known as Jungaria, crossed by the caraban route from China to Russia. Urumchi (Tihwa), the capital of Sinkiang, is strategically located at the center of this route, dominating both northern and southern Sinkiang. The largest racial groups of Jungaria are the Chinese Moslems, known as Tungans, and nomad peoples such as the Torgot Mongols and Moslem Kasaka. Soviet commercial influence is strongest in this area, although of late the Soviet Union has also become an effective competitor of the British interests in Kashgaria.

The most immediate threat to Chinese rule in Sinkiang is the large Moslem population, made up of the Turkis in the south and the Tungans and Kasaks in the north. In addition, there is a strong bloc of several million Moslems in the neighboring province of Kansu. Racial, language and sectarian differences separate these various Moslem groups, yet there is a peristent urge, shared by every ambitious Moslem general, toward the creation of a unified Moslem state in western China. Moslem separatism therefore constitutes a danger in itself; further, it provides a ready-made tool that might be turned to advantage by foreign powers. Once started, a Moslem uprising would push on through Kansu and seriously menace the interior of China proper. Even without foreign aid, the Moslem revolt of the sixties penetrated Shensi and Hupeh provinces, and was only put down after ten years' stiff campaigning. No general Moslem uprising has taken place under the republican regime; should it occur at this juncture, it would shake the republic.[37]

Since 1928 the stability of the Chinese regime in Sinkiang has been seriously threatened. Manchu rule had rested essentially on a skeleton civil administration supported by a numerically insignificant military force, which played the troops of one subject race off against another. In 1911, when the revolution occurred, this system was smoothly taken over by the Chinese republican rulers.[38] It has since been maintained virtually unchanged, even under the Nanking government.[39] From 1911 to 1928 Sinkiang was ruled with ability and success by Governor Yang Tseng-hsin. His long rule was due partly to his political acumen, and partly to favorable economic conditions in the province. The period of general prosperity in Sinkiang, however, was drawing to a close in the latter days of Governor Yang's administration. After 1925 the prevailing political disorder in China increasingly shut off the trade routes to the seacoast. At the same time Soviet economic penetration of Sinkiang was becoming steadily more effective. Governor Yang's assassination in 1928 marked the end of an era. The growing difficulties confronting Chinese rule were thereafter handled by less able political leaders.

These difficulties were the result of a complex interaction of both internal and external influences. Internally, several decades of peace and prosperity had led to an increase in the population, which resulted in a migration of the Turki farmers into the nomad lands of the north.[40] Largely because settled agricultural communities were more easily governed and taxed, this movement was favored by the Chinese officials, even though it aroused resentment among the Mongols and Kasaka. Furthermore, subsidies formerly paid to the tribal leaders were gradually reduced or abolished; in some cases, where the native chief was weak, the subsidies were replaced by levies. Thus, even under Governor Yang's rule, Chinese policy was becoming more opportunistic, generating widespread native discontent.

The primary external influence was the Soviet trade dominance established in Sinkiang subsequent to 1925. Soviet geographical proximity was reenforced in 1930 by the completion of the Turk-Sib Railway, which paralleled the Sinkiang border for hundreds of miles. The relatively short caravan hauls to the railway, as well as newly constructed motor roads, quickly established it as the natural outlet for Sinkiang's products. These advantages were strengthened by the Soviet policy of "free trade" with certain Eastern countries, whereby Moscow's foreign trade monopoly was relaxed in colonial areas not dominated by foreign capital.[41] Finally, every effort was made to establish cordial relations with the local Sinkiang rulers. Soviet extraterritorial privileges were abolished in Sinkiang as early as 1920, four years before this step was taken in China proper.[42] Further Sino-Soviet agreements in 1925 and later provided for the exchange of consular representatives and other measures to facilitate trade.[43] As a result of these combined factors, Soviet trade with Sinkiang has forged steadily ahead. Whereas in 1923-1924 Soviet imports from Sinkiang were valued at 3,015,000 rubles and exports at 418,000 rubles, the corresponding figures for 1932 were 12,305,000 and 15,698,000 rubles.[44]

Although there is no evidence that Soviet commercial penetration has been accompanied by political activity in Sinkiang,[45] the effects of the economic impact alone contributed greatly to the difficulties of the local Chinese rulers. The well-organized Soviet trading organs rapidly acquired virtual monopoly powers over prices and the type of goods imported, and the Soviet Union's controlled currency soon dominated Sinkiang financially.[46] Under these circumstances, the trading profits of the Chinese officials were greatly curtailed. Trade prosperity, however, had enabled the Chinese administration to function without undue pressure on the subject races. In its absence, the Chinese rulers resorted to higher taxation and even to deposition of native chiefs—a policy that added fuel to the smoldering resentment of the native peoples.

At this juncture another foreign factor intervened. In 1929, when the international embargo on arms exports to China was lifted, Sinkiang became able to import arms through India. Possession of these arms gave the Chinese authorities an unwarranted feeling of security, which led to a series of political blunders. Late in 1930 the Chinese officials sought to assume direct administration of the independent principality of Hami.[47] The Hami Turkis rose in revolt, defeated the poorly trained Chinese troops, and allied themselves with a small force of Kansu Moslems led by Ma Chung-ying, an ambitious young Moslem general.[48] A request by the Chinese authorities for military aid from the Torgot Mongols of Karashar was refused,[49] upon which their ruler—the ablest Mongol prince in Sinkiang —was treacherously slain.[50] This affair alienated all the Sinkiang Mongols, who took up an attitude of passive insubordination. In 1931-1932 the Moslem forces successively occupied Barkol and Turfan, and early in 1933 threatened to capture Urumchi, the provincial capital. By this time, however, the Chinese had organized a force of White Russians, supplemented by several thousand Manchurian Chinese troops repatriated through Siberia. Urumchi was saved,[51] and in the course of 1933 the Moslem forces steadily lost ground. By the end of the year, the Chinese authorities had largely re-established their military position in the north. Three years of civil conflict, however, had taken a heavy toll in administrative disorganization, drastic currency depreciation, and general economic decline.

In southern Sinkiang, moreover, Chinese authority had been completely thrown off, resulting in a confused struggle between various Moslem groups in the oasis cities of Kashgaria. Early in 1934 an "independent" Moslem regime, supported by the Emir of Khotan, was established in this region, with Kashgar as its capital.[52] The strength of this regime is problematical, since it is opposed by other local elements.[53] It is still uncertain whether, as Soviet sources allege, British interests in Kashgaria are supporting the "independence" movement. British policy in Sinkiang has traditionally favored the maintenance of Chinese rule, which seems to have been the purpose behind the arms importations in 1930.[54] Increasing Soviet dominance in Sinkiang, and the present weakness of China, may have forced a change in this policy. The physical difficulty of maintaining contact with Kashgaria either through Kashmir or Tibet, handicaps the extension of effective British support to an "independent" regime in that region. Unless thoroughgoing

35. Lattimore, "Chinese Turkistan or Hsinchiang," *China Year Book, 1934.*
36. *Memorandum on Chinese Eastern Turkestan* (American Council, Institute of Pacific Relations), April 27, 1933.
37. Lattimore, "Chinese Turkistan or Hsinchiang," cited.
38. The operation of this system, however, requires skillful handling of the relatively autonomous native groups. Even where the administration is most direct, as in the settled Turki agricultural communities, native "headmen'- are still interposed between the subject race and the Chinese officials. In a few cases, as at Hami, the older type of Turki "native state"—in which the prince ruled under the general supervision of a Chinese resident official—still survives. Among the Mongol and Kasak tribes, Chinese rule is wholly indirect. *Ibid.*
39. At present, the *de facto* Chinese governor in Sinkiang is nominally appointed "chairman" of the local Kuomintang committee by the Nanking government; actually, the members of the local committee are the executive subordinates chosen by the governor. *Ibid.*
40. *Ibid.*
41. For discussion of this policy, cf. Violet Conolly, *Soviet Economic Policy in the East* (London, Oxford University Press, 1933), Chap. I.
42. Morse and MacNair, *Far Eastern International Rlations*, cited, p. 671.
43. Conolly, *Soviet Economic Policy in the East*, cited, p. 124-125.
44. *Ibid.*, p. 120.
45. *Memorandum on Chinese Eastern Turkestan*, cited, p. 3.
46. Conolly, *Soviet Economic Policy in the East*, cited, p. 120-121.
47. The Hami ruler had died, after which the Chinese set aside his heir and attempted to increase taxes.
48. Ma Chung-ying cherished a deep resentment against the Chinese, owing to the arbitrary execution of his brother in Kansu some years earlier. Cf. Lattimore, "Chinese Turkistan or Hsinchiang," cited.
49. The refusal was natural, since it was common knowledge that a plot laid by the Chinese authorities in 1930 to unseat this Karashar ruler had miscarried. "Recents Events in Sinkiang," *Journal of the Royal Central Asian Society*, January 1934, p. 82-83.
50. *Ibid.*, p. 83.
51. Not before the White Russian mercenaries had gotten out of hand and driven the Governor—Chin Shu-jen—from the province. *Ibid.*, p. 84.
52. *New York Times*, January 24, 1934.
53. Disorders attending the fighting at Kashgar on February 14, 1934 led to the death of one member and the wounding of four others on the staff of the British consulate. *Ibid.*, March 17, 1934; also *Foreign Affairs in Parliament*, March 19, 1934, p. 37.
54. Lattimore, "Chinese Turkistan or Hsinchiang," cited.

British assistance is forthcoming, however, the maintenance of an autonomous Kashgarian state against combined Soviet and Chinese opposition seems hardly possible.

Although the spectre of a united Moslem revolt has temporarily become less ominous, China's position in its far western dominion is by no means reassuring. Recent events have stirred the Nanking regime to action. In October 1933, after relieving Lo Wen-kan of his post as Foreign Minister, the Nanking authorities dispatched him on a spectacular airplane journey to Sinkiang, where he sought to reconcile the warring groups. Failing in this attempt, he passed on to Novosibirsk for a conference with Dr. W. W. Yen, Chinese Ambassador at Moscow.[55] At the same time, the Nanking govrenment has engaged Dr. Sven Hedin, the famous Swedish explorer of Central Asia, to make the preliminary survey for a proposed motor highway into Sinkiang.[56] Improved communication facilities are essential if China is to regain its old position in Turkistan.

Yunnan—A French Sphere

From its base in Indo-China, French influence radiates over a large section of southern China. Although most effective in Yunnan province, it also extends to the provinces of Kwangsi, Kweichow, and Kwangtung, thus constituting an area as large as Japan's sphere in Manchuria.[57] Yunnan province is a territory of nearly 150,000 square miles with a population of some 11 million, about two-thirds of which are Chinese and the rest various aboriginal tribes. French economic and political power in Yunnan rests on the Haiphong-Yunnanfu railway, which provides the sole practicable means of access to the province.[58] Customs and transit charges levied on goods entering Yunnan via the railway are so manipulated by the French authorities as to render effective competition by non-French goods impossible.[59] Furthermore, whereas French goods require a week in transit, non-French goods often require six months, and then are likely to arrive in damaged condition.[60] The operation of these factors has placed the greater part of the business and trade of Yunnan province in French hands.[61]

Yunnan politics is equally subject to French influence, since by its control of the railway France is enabled to supply the bulk of the munitions used by the Yunnan army. If the Yunnan regime should prove refractory, the supplies of French arms can be easily diverted to a new claimant for the Yunnan governorship.[62] In recent years, however, the present Yunnan governor—General Lung Yun—has worked satisfactorily with the Indo-China authorities. The French representatives in Yunnan have also cultivated existing middle-class elements. There is considerable French entertainment of influential Chinese, and about half the foreign-educated Chinese in the Yunnan administration are returned students from France.[63]

For the present, however, there seems to be no compelling urge toward the assumption of direct political control by the French authorities.[64] Whether the step will ultimately be taken depends chiefly on the extent of pressure from third powers that may accumulate on the borders of the French sphere. Effective Chinese opposition is not possible at present, and is very unlikely in the near future. With Japan, the French authorities have maintained a close working agreement in the Far East since the signing of the treaty of June 10, 1907. In this treaty France and Japan pledged mutual support for the maintenance of their territorial rights in Asia and for assuring the peace and security of "the regions of the Chinese Empire adjacent to the territories where they have the rights of sovereignty, protection or occupation."[65] By a further exchange of notes, not made public with the treaty, France and Japan defined the specific territorial limits of this agreement "on the one part and as concerned France, as the three southern Chinese provinces of Kwangtung, Kwangsi, and Yunnan; and, on the other part and as concerned Japan, as Fukien, and, in the northeast, the regions of Manchuria, and Mongolia, in which Japan had special rights."[66] Despite the French opposition at Geneva to Japan's occupation of Manchuria, the respective Franco-Japanese spheres in the Far East are so distinct that the continuation of a general working agreement on the customary basis may be safely anticipated.

55. *China Weekly Review*, September 23, 1933, p. 144-145; September 30, 1933, p. 200; October 14, 1933, p. 293.
56. *New York Times*, October 29, 1933.
57. French expansion in this area, however, is not motivated by the compelling interests of a crowded population or of military insecurity, as in the case of Japan. It is related more to the interests of certain financial and business groups in France, which are seeking raw materials and commercial outlets. Cf. *Memorandum on French Indo-China* (American Council, Institute of Pacific Relations), March 10, 1934.
58. The Yunnan section was completed in 1910 at a cost of approximately $32,000,000, supplied entirely from French sources. C. F. Remer, *Foreign Investments in China* (New York, Macmillan, 1933), p. 624.
59. Wilbur Burton, *China Weekly Review*, September 16, 1933, p. 102-105. One of a series of six articles prepared as the result of a first-hand study of Yunnan in 1933.
60. *Ibid.*, p. 105-106.
61. *Ibid.*, September 2, 1933, p. 14.
62. *Ibid.*, p. 14.
63. *Ibid.*, September 30, 1933, p. 190.
64. Their indirect control is expanding. Note French activities in Kwangsi. *New York Times*, April 19, 1934.
65. John V. A. MacMurray, *Treaties and Agreements with and concerning China* (New York, Oxford University Press, 1921), Vol. I, p. 640.
66. Quoted from A. Gérard, *Ma Mission au Japon*, by Ernest Batson Price in *The Russo-Japanese Treaties of 1907-1916 concerning Manchuria and Mongolia* (Baltimore, Johns Hopkins, 1933), p. 32.

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In the United States Court for China

In re.
Estate of EMILY WOOD FEARON Deceased

Cause No. 3711
Special Proceedings No. 986
NOTICE
Filed August 9, 1934.
William T. Collins, Clerk.
L. T. Kenake, Asst clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of EMILY WOOD FEARON, deceased, to present the same with vouchers to the undersigned on or before February 18, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

C. R. BURKILL,
20 Canton Road.
Shanghai, China.

Serious British encroachment on the French sphere has seemed equally remote. Of late, however, the Tibetan advances in Hsikang province have led to incursions over the northern Yunnan border.[67] British forces in Upper Burma have also been encroaching on a section of Yunnan where the border-line has never been accurately defined.[68] The possible effects of the Dalai Lama's death on British action in Tibet also bear directly on Yunnan's status. None of these developments, however, has yet reached an acute stage. Barring determined intrusion on Yunnan by a third power or the disturbances incidental to a major Far Eastern conflict, it seems probable that the present French position in south-western China will be maintained.

Conclusion

Four great powers—Japan, the Soviet Union, Great Britain and France—confront each other on China's land frontier. Their territorial spheres of influence have been jostled together by Japan's seizure of Manchuria, resulting in heightened tension and a marked increase of political activity. The elbow space of each power has been reduced, so that from Manchuria through Mongolia, Sinkiang and Tibet to Yunann, forces set in motion in one area have direct repercussions in the others. For this reason, the proclamation of a Molsem state in southern Sinkiang, the advance of Tibetan troops into Hsikang province, or the actiivties of Japanese forces in the vicinity of Dolonor are much more than local incidents in out of the way places. They are maneuvers to feel out the strength of the opposition, episodes in a continental struggle over China's outlying territories.

Owing to the momentum acquired in its Manchurian operations, the strongest initiative in the interplay of forces lies at present with Japan. From the strategic Japanese outpost in eastern Chahar province, looking toward further penetration of Inner Mongolia, the next determined move may be launched. The enthronement of Pu Yi re-enforces this possibility, and opens up new vistas in Japan's continental policy. As an island empire, Japan cannot permit the development of a strong and united China. Japan's future on the Asiatic mainland would be best secured by the establishment of a series of minor states, over which it could exercise hegemony. The first step in this direction was taken with the creation of Manchukuo. The second step would be the establishment of a Mongolkuo, which by historical precedent might logically acknowledge the suzerainty of the Manchukuo Emperor. Such a Mongolian state, however, could hardly be set up before a test of strength with the Soviet Union, for which Outer Mongolia constitutes a vulnerable flank. If it were successfully accomplished, Japan would confront both Great Britain and the Soviet Union in western China. Out of the ensuing struggle, a Moslem state—dominated by one or other of the great powers—would almost certainly emerge.

In the course of these events, China would be reduced to the dimensions of a lesser state, dominated by Japan and its continental allies. It is already evident that the Nanking government is in no position to interpose effective opposition to Japan's continental ambitions. Despite the loss of Manchuria, the factional divisions within the Kuomintang remain as acute as ever. The growth of the Chinese Communist movement has added a new and incalculable element to the continuing struggle among the various Kuomintang warlords. In both its internal and external policy, the Nanking government has been placed strictly on the defensive. Nor can it longer reckon with any confidence on effective aid from the United States. In the test over Manchuria, the historic "open door" policy of the United States, with its corollary requiring the maintenance of China's territorial integrity, has apparently suffered a decisive setback. More than at any time since 1900, tendencies leading toward the dismemberment of China are definitely in the ascendant.

67. Cf. Wilbur Burton, "Ominous Maneuvers in Southwestern China," *China Weekly Review*, October 28, 1933, p. 360-362.

68. The Nanking government has protested this affair both locally and through the Chinese Ambassador at London. *China Weekly Review*, March 3, 1934, p. 28.

Japanese Consul at Manila "Warns" Against Dangers of Increased Duties

Mr. Kimura, Japanese Consul-General, addressing students of the University of the Philippines at Manila Aug. 16 warned them that "probably serious effects" will result from the proposed increase in Philippines tariffs designed to protect American goods with the aim of preserving the present free trade arrangement between the two countries. Mr. Kimura further asserted that the raising of duties on clothing and foodstuffs, will cause suffering and distress among the masses and cited the example of China, where tariffs on cotton goods have been reduced.

The question of whether Consul-General Kimura was guilty of "diplomatic discourtesy" is raised in the American-owned *Bulletin* commenting on Mr. Kimura's speech in which he warned the students of the University of the Philippines of the probable serious effects of the proposed Philippine tariff increase designed to protect American trade. It is suggested that possibly it will be viewed as lobbying, the paper adding that it is not suprising that Japan wants the Philippines to produce cheap cotton in view of the textile war with Britain and America. Fillipino newspapers made only veiled references to the speech.

Marcosson Decribes How Japan Is Undercutting World's Markets

Isaac F. Marcosson has written a long article in the *Saturday Evening Post* of July 7 on the subject of Japan's penetration of world markets. The following are extracts :—"The Japanese are perhaps the world's greatest jugglers. Nor is the performance confined to the professional teams that appear on vaudeville stages and under circus big tops. Nippon the nation is highly ambidextrous. Not only is she able to use both hands equally well, but each hand works continuously on a different game. One, wearing a steel gauntlet, smashes the way for territorial conquest. The other, incased in a velvet glove, carries a sample case. The teamwork between these two hands has given Japan her mastery of the Eastern Pacific. Her latest defi to the outside world, embodied in the declaration, Hands Off China—whether with loans, planes or military instruction, is an evidence that the slogan, Asia for the Asiatics, has become Asia for Japan.

"The sphere of the Japanese bayonet is, for the moment, at least, circumscribed. Not so with the domain of the Nipponese sample case. Beginning in China, it advanced upon Britain's preserves in India, Egypt, Malaya and Africa, penetrated the Dutch East Indies and the United States, completing a globe-encompassing movement with Latin America as the final objective so far. Rebuffs, but not reverses, have marked the progress . . . . Almost every other country with a depreciated currency has raised wages, Japan has lowered them, even below what the outside world considers a pauper level. As every observer has pointed out, the lowering of Japanese wages in relation to other currencies has reduced Japan's overhead and labor costs to one-half or two-thirds of those of her main competitors, and in some instances much less, certainly as compared with ours. In currency manipulation, Japan has indulged in no professorial pursuit for illusory benefit. She is neither bewildered nor befogged by fiscal experiment. She has gone in for debasement of money for production and export purposes. Big industry and big finance are so closely interlocked—fifteen feudal families of the Mitsui type practically control banking, production, commerce and shipping—that their word is law. Depreciated currency, low wages and long hours constitute only three reasons why Japan can undrsell the world. Few Americans appreciate the extent of governmental assistance. It is expressed in outright subsidies for the various export industries and fishing; in the endowment of industrial and trade associations; in what are called 'foundation grants' to assist in the formation of guilds of manufacturers or exporters; in advances to support price pegging, notably in silk; in subsidies for shipping lines which have totaled more than $90,000,000 in the past ten years; in an Export Indemnity Act by which the exporter is indemnified against loss in an export transaction to the extent of 70 per cent of that loss; in railway rebates which enable carloads of goods destined for export to be hauled at 20 per cent less than the regular tariff; in special credit and loan facilities at low interest rates from the Bank of Japan; in tax exemption, notably, for infant industries; and in the establishment of cartels or kindred centralized bodies in very industry."

Japanese Voluntarily Restrict Grey Cotton Cloth Shipments to N.E.I.

Leading cotton spinners and exporters on the special committee appointed by the Japan Cotton Spinners' Association and the Export Cotton Textile Traders' Association to deal with the Netherlands Indies issue, have declared a voluntary suspension of transactions on grey shirting for shipment to the Netherlands Indies pending the establishment of an export association. They will not meet any demands by customers to change the width of shirtings on order from 44 to 42 inches unless given a guarantee that the cloth is not destined for the Netherlands Indies. This arrangement is to allay a threatened imposition by the Netherlands Indies Government of an import restriction decree on non-bleached cotton goods.

Supremacy of Japanese cotton cloth in the Indian market was completely superseded by British cloth during the first six months of this year. This was the outcome of the new Indo-Japanese trade convention. In the total export volume of cotton cloth, Japan still occupies the topmost position with Britain coming second, but, as far as the Indian market is concerned, British cloth has regained its lost status.

A recent Japanese message from Buenos Aires stated that Japan's total exports to the Argentine, Brazil, Uruguay, and Chile, which, in 1933, more than doubled compared with the previous year, witnessed a 50 per cent decrease during the first half of this year by comparison with the corresponding period of the preceding year. On the other hand, Britain's and America's trade with those countries had shown an increase. The decline of Japan's trade is ascribable to the non-existence of reciprocal treaties.

In view of the uncertain quality of Philippine cotton, the production of which is still in the experimental stage, agents of the Mitsui Bussan Kaisha, are offering purchase contracts to the Island producers 20 per cent below the current world price, a recent Manila message stated. At the present time, cotton production is confined in the Philippines to two provinces of the island of Luzon, and the crop is still largely experimental.

Chekiang to Float Loan to Help Silk Industry

The Chekiang Provincial Government has decided to conclude a loan of $3 millions from the Bank of China for the rehabilitation of the silk industry. The loan will be employed for the purchase of silk cocoons, and will be amortized with the proceeds from the sale of the cocoons.

Chinese Want Commercial Treaty With Persia to So as to Boost Tea Trade

The Shanghai District Chamber of Commerce has telegraphed a petition to the Ministry of Foreign Affairs urging that a commercial treaty be speedily concluded between China and Persia to enable Chinese tea merchants to do more business in that country.

Kiangsu to Issue $20,000,000 Conservancy Loan

The Central Political Council, at its meeting August 29, authorized the issuance of the River Conservancy Loan amounting to $20,000,000 by the Kiangsu Provincial Government.

Government to Encourage Development of Domestic Industries

Further efforts of the Government to encourage the development of domestic industries are contained in a set of regulations governing the Organization of the Examination Committee for Encouragement of Industries, announced for enforcement by the Executive Yuan in a recent order. The Regulations provide that the Committee be composed of 11 members. The Ministry of Industry will nominate three members. The Ministries of Finance, Railways, and Communications, and the National Reconstruction Commission will each nominate two members. The office of the Committee will be established within the building of the Ministry of Industry.

Kwangtung Hopes to Rationalize Industry

Canton advices state that the Kwangtung Provincia Economic Plans Commission has passed a resolution to urge the Provincial Government to control the commerce of the province in order that production, organization, technique, and consumption may be rationalized and industrial economy developed.

Inter-Provincial Travelling Exhibition to Be Postponed

General Chiang Kai-shek has sanctioned the proposal of Tseng Yang-fu, Chekiang Provincial Commissioner of Reconstruction and concurrently member of the Committee in charge of the Southeastern Inter-Provincial Travelling Exhibition, to postpone the exhibition which was scheduled to open on October 10, on account of the grave drought situation in the provinces. However, in order to encourage tourists to visit the scenic spots in the Southeastern provinces, Mr. Tseng said that plans will be made to furnish expert guidance for visitors to this part of the country. A Chekiang Provincial Excursion Guidance Bureau will be established shortly, he added.

Deportation of Chinese Editor from Manila Asked by Consul General

Deportation proceedings have been started in Manila (at the request of the Chinese Cousul General) against Ong Woo-heng, editor of the Chinese Daily *Vanguard*. It is reported that deportation of Shu Yu-chao, who was mayor of Amoy during the revolt there last winter, has also been asked for. He has been a resident of Manila for many years and was mayor of Amoy for only a few months.

Tsoong Lung-bunn, recently appointed Chinese Consul General to Manila, used the words "minister plenipotentiary" on his visiting cards, it was mentioned in a recent *Rengo* message. In an interview he expressed the hope that independence would come to Philippines sooner than in the stipulated 10 years.

President Manuel Quezon of the Philippine Senate sailed August 23 on a Dutch liner for Europe via Java, accompanied by Mr. Vargas.

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Japan's Trade with China

(*British Chamber of Commerce Journal*, Shanghai, for August, 1934)

The following figures show Japan's trade with China during the five months ended May 31, 1933 and 1934.

	Exports from Japan		*Imports into Japan*		*Total Imports and Exports*	
	Jan.-May 1934 *Yen*	*Jan.-May* 1933 *Yen*	*Jan.-May* 1934 *Yen*	*Jan.-May* 1933 *Yen*	*Jan.-May* 1934 *Yen*	*Jan.-May* 1933 *Yen*
Manchukuo	34,811,000	28,767,000	81,521,000	72,112,000	116,332,000	100,879,000
Kwangtung Province	108,248,000	78,392,000	9,673,000	7,595,000	117,921,000	85,987,000
China	41,640,000	50,716,000	47,871,000	39,834,000	99,511,000	90,550,000
Hongkong	11,007,000	9,385,000	828,000	809,000	11,835,000	10,194,000
Total	195,706,000	167,260,000	139,893,000	120,350,000	345,599,000	287,610,000

The following figures show Japan's trade with China during the six months ended June 30, 1933 and 1934.

	Exports from Japan		*Imports into Japan*		*Total Imports and Exports*	
	Jan.-June 1934 *Yen*	*Jan.-June* 1933 *Yen*	*Jan.-June* 1934 *Yen*	*Jan.-June* 1933 *Yen*	*Jan.-June* 1934 *Yen*	*Jan.-June* 1933 *Yen*
Manchukuo	42,792,000	35,903,000	97,237,000	87,611,000	140,029,000	123,514,000
Kwangtung Province	133,521,000	96,527,000	12,103,000	9,409,000	145,624,000	105,936,000
China	51,541,000	56,310,000	59,711,000	46,824,000	111,252,000	103,134,000
Hongkong	13,146,000	11,449,000	1,011,000	1,092,000	14,157,000	12,541,000
Total	241,000,000	200,189,000	170,062,000	144,936,000	411,062,000	345,125,000

By Months	*Exports* 1934 *Yen*	*Exports* 1933 *Yen*	*Imports* 1934 *Yen*	*Imports* 1933 *Yen*
January	26,205,000	24,332,000	25,956,000	28,741,000
February	33,937,000	32,263,000	26,427,000	27,019,000
March	43,673,000	40,919,000	27,932,000	25,528,000
April	43,304,000	35,068,000	25,710,000	16,699,000
May	48,587,000	34,678,000	33,867,000	22,362,000
June	45,294,000	32,929,000	29,892,000	24,587,000
Total	241,000,000	200,189,000	170,062,000	144,936,000

Japan's total foreign trade for the six months ended June, 1934 and 1933 was as follows:—

	1934 *Yen*	1933 *Yen*
Imports	1,158,610,000	1,016,341,000
Exports	1,003,688,000	829,873,000
Total	2,162,298,000	1,846,214,000

Details of Kiangsi Soviet Organization Given by Peiping Journal

Details regarding the organization of the Soviet Government in Kiangsi and the distribution of Red armies in that area were given in a recent Nanchang message to the Peiping *Chen Pao*. According to the organization of the Soviet State in Kiangsi the highest authority is the Central Executive Committee of the Communist party. Under this organ is the Political Council, which takes charge of all administrative affairs in the Soviet State. Under the Central Government is the Provincial Soviet Government. Under the provincial government is the Hsien Soviet and under it is the Section Soviet. Next comes the City Soviet and finally the Village Soviet.

Most of the names of cities in the Soviet area have been changed. The Reds have divided southern Kiangsi, western Fukien, Central Kiangsi and Hunan border into many provinces. The Soviet Area is divided into five military areas and each of the five Red provinces is a unit by itself. Each military area has a commander and the military strength in each unit ranges from five to eight regiments of regular Red troops and several regiments of local militia. Chu Teh remains the Commander-in-chief of the Communist Army with Yeh Chien-ying as his Chief of Staff. The total strength of the Communist Army is placed at five army corps, 12 armies and 40 divisions.

Prominent Communist Surrenders

Hollington K. Tong writes in the *China Press* that the recent surrender of Kung Ho-chung, a prominent communist army corps commander, to the government forces, marks the probable beginning of the final phase of the anti-communist campaign in the province of Kiangsi. Scores of officers of lower ranks daily desert the communist army and join the government side. Communist soldiers, battalions at a time, give themselves up. Little doubt remains in the minds of the commanders of the government troops that before Christmas Kiangsi will be rid of the disturbing elements which may, however, flee to Szechuen.

Chen Tu-hsiu and Peng Shu-tze, famous Communist leaders in China who were arrested several months ago in Shanghai and sentenced to imprisonment by the Nanking District Court, were sent to prison in Nanking Aug. 21 to serve their sentence.

Sentenced Ricsha Rioters File Notice of Appeal

Tseng Tah-chi and Ho Wu-san, two ricscha riot ringleaders, were sentenced to three months imprisonment in the First District Court in Shanghai Aug. 30. Immediate notice of an appeal was given by Tseng and Ho and in addition Colonel Thomas Tchou, Ricksha Board member who was accused of accepting monetary gifts from two ricsha owners testifying during the trial, intimated that he may seek a hearing during the appeal in order to refute the charges. Colonel Tchou attempted to make a statement before the court, but his appearance was refused. Paul Y. Ru, municipal prosecutor in the trial, refused, at the suggestion of R. T. Bryan, municipal advocate, to make an "amende" or public apology to Colonel Tchou before the court. The request for the "amende" was made by R. W. Massey, Ricsha Board chairman, in a letter to J. R. Jones, Council secretary. The municipal advocate took the position that for Mr. Ru to make a statement would tend to discredit the case for the prosecution.

U. S. Senate Committee Probes Munitions Industry

A probe into the American munitions industry has been commenced by a special Senate investigating committee, of which Senator Nye from North Dakota is chairman. About one hundred persons are to be examined.

Executives of E. I. Du Pont de Nemours, the American munitions trust, are being questioned about the American Liberty League, which Irenee Du Pont helped to organize. Especial attention is being devoted to two phases of the industry's operations viz. The gigantic profits reaped by munitions makers during the World War; and the strange linking of foreign and domestic interests in the worldwide munitions business.

Right from the start the Committee touched upon dealings in the United States by Sir Basil Zaharoff, "mystery man" of Europe, who is said to have promoted more wars than any other man in history. Huge commissions were paid to him by the Electric Boat Co., it was revealed.

Mr. Nye proposes legislation to take the profit out of war. This objective Senator Nye said he would accomplish by the imposition of a 98 per cent. tax on all incomes exceeding $10,000 a year during war periods.

Huge profits reported accruing to the Eastern shipbuilding monopoly from contracts for construction of warships authorized under the Vinson-Trammel "Big Navy" Bill are also being investigated by the Senate committee. Inclusion of the shipbuilding yards in the inquiry followed reports that there was collusion in bidding among the private yards recently awarded contracts for more than a score of costly war vessels.

Three Quarters of a Billion Spent on Relief Activities

Donald R. Richberg, general counsel of the National Recovery Administration, reports that various federal, state and local organs had spent during the year 1933 a total of $792,268,529 on relief activities.

Owing to the drought and the usual seasonal increase in unemployment, the U.S. Government anticipates a new high record of 5,000,000 families on the relief rolls by February. A survey made reveals that the sum of U.S.$3,000,000,000 has been expended for relief purposes so far.

There was an increase of unemployment in the United States during the past year, the figure being 10,722,000 at the end of July according American Federation of Labor reports.

William Green, president of the American Federation of Labor, at Atlantic City, N. J. Aug. 5 declated that if the industrialists should confess their inability to guide the nation's economic destinies labor would consider methods for supplying the people with all essential goods and services.

Press Censorship Bill to Be Introduced

Senator Thomas David Scholl in a radio speech Aug. 23 asserted that President Roosevelt's brain trust is planning a government press service to supplant private services in order to give news only to administration newspapers. He said that there are similar services in France, Italy, and Russia, and declared that it would be incorporated with the press censorship bill to be submitted to the next session of Congress.

Louis Douglas, Director of the Budget, having resigned, Daniel W. Bell, Commissioner of Accounts, has been appointed acting Director. F. W. Lowery, Assistant Director of the Budget, resigned later. The New York *Herald-Tribune* commented that Mr. Douglas was the last man of sound mind who still remained among the President's advisers.

A vigorous defence of the democratic form of government was voiced by Senator Borah, in a Labor Day speech in Pocatello, Idaho, Sept. 3. He warmly advised labor to ignore Communism. Unionists were urged to purge their ranks of un-American and demoralizing forces.

A nation-wide strike in the cotton and silk industries commenced Sept. 3, 300,000 workers taking part.

Upton Sinclair, famous as a novelist on social subjects, has been nominated for governor of California on the Democratic ticket. The Roosevelt administration is only lukewarm in its endorsement of his candidacy.

Two doctors in Chicago who performed a plastic operation of the face of the bandit Dillinger have been arrested and held on $50,000 bail.

One company of the Louisiana National Guard was called out by Governor Allen, Aug. 31 to protect the legislative committee which will soon investigate the New Orleans city administration. The new action is another phase of the political war between Senator Huey P. "Kingfish" Long and his opponents, led by the New Orleans Mayor, T. Semmes Walmsley, for political control of the state.

Benjamin F. Zarn, a former National Aviation Corps mechanic, was placed on trial in New York this week for sending a threatening letter to the wife of President Roosevelt demanding $168,000, in default of which her two grand-daughters would be abducted. Zarn is reported to be unbalanced ever since he was struck on the head by an airplane propeller while he served as an officer in the U.S. Navy.

Rockefeller Center in New York, at first a "white elephant," is rapidly filling up and has become a paying proposition. Wine and liquor firms are among the tenants.

Disagreement over the nature of the credits to be advanced to the Soviet Union is the stumbling block to early conclusion of a Russo-American debt settlement, a message from Washington Sept. 3 stated.

English Pound Drops to New Low Levels

Measured in terms of gold (as for example, the French franc) the English pound dropped to a record depreciation Aug. 30; or, put the other way about, gold reached a record price in London, namely 140 shillings 3 pence per fine ounce. The pound dropped still further Sept. 1 when the price of gold stood at 141 shillings and 5 pence.

One of the effects of the recently announced American silver policy has been a steady shipment of silver from China and Europe to the United States, among the recent shippers being Soviet Russia, which on this occasion used silver to pay for purchases in the United States, whereas it formerly used gold. As against the influx of silver, there have been fairly heavy shipments of gold out of the United States, mainly to France—which reports an increase in its gold reserve. Various rumors that France might abandon the gold standard were categorically denied by the French Minister of Finance Aug. 30.

The Peiping *Chen Pao* comments:—"Our financial authorities and leading bankers ought to make resolutions to disregard individual interests and give co-operation to one another. Let a huge amount of silver be deposited with the Central Bank. A silver Control Committee under the joint auspices of the Government and the bankers should be established to buy and sell and control the rise and fall of the white metal in our country, so that the American influence on our market may be minimized to the greatest degree."

Dr. Kung Says There Will Be No Embargo on Silver

According to Chu Min-yi, Secretary-General of the Executive Yuan, Dr. H. H. Kung, Minister of Finance, made a verbal report on the silver situation at a meeting of the Executive Yuan Sept. 4., in which he reaffirmed that the Government had no immediate intention to place an embargo on the export of silver or to increase the silver export duty.

Japan Must Face Political Questions

Edward L. James, managing editor of the *New York Times* (Sunday edition) recently commented:—"Basic operations regarding the naval conference are in progress. One of the main questions will probably be Japan's ambitions in the Far East. Japan may succeed technically in shelving discussion of political questions, but in substance it cannot. What Japan wants is to clear the naval strength of the other Powers from China waters and to become there the dominant Power. Neither Great Britain nor the United States has any desire to increase its naval ratio. There is no fear that either of them will be menaced in European waters, but their common interests in the Far East are being confronted because of Japan's claims. If Great Britain were to indicate some basis for co-operation with the United States, this nation would probably accept it, and the scope of such co-operation would be decided according to the views of the United States. The conference must be attended by the three nations on equal footings. If it fails, however, because of Japan's demand for an increased ratio, or if Japan's demand is granted, the possibility of co-operation between Great Britain and the United States will become stronger, and if the United States should propose joint operations with Great Britain for protection of their common interests it is not likely that Great Britain would not listen. Because of internal conditions the two nations may not be able to conclude anything like an alliance, but there is every possibility that they could operate jointly in diplomacy. Should the worst come to pass between the United States and Japan, Great Britain might place its bases at Singapore and Bermuda at the disposal of the United States."

French Writer Suggests Leaving Asiatics to Themselves

Wladimir d'Ormesson wrote in the *Figaro* (Paris) August 18:—"The most elementary form of wisdom tells us to let Asiatic peoples negotiate, fight and re-negotiate among themselves. Had the League of Nations not wished to bend the Sino-Japanese dispute to its rules, events would never have arrived in the state in which they now are. Furthermore, Japan would have remained with China at Geneva. We should profit by this experience."

Henry Casseville writes in the *Revue des Deux Mondes*:—"The more one studies the Pacific problem, the more it seems that there is no solution. Japan is intensifying efforts to secure supremacy of the Chinese market. To this economic aim is necessarily added the second of establishing a solid base on the Asiatic continent, and recent developments have shown how successful Japan has been. The day is perhaps coming when the United States will be faced with the necessity of using force in order to insure the maintenance of that open-door policy for the Chinese market which it succeeded in introducing into the treaty at Washington in 1921."

Philippines in Healthy Financial Condition

The Philippines Government has, for the second consecutive year, presented a completely balanced budget, according to Governor-General Frank Murphy, who made public figures Aug. 15 prepared by the Finance Secretary. Showing a surplus of $509,765, the 1935 budget carries proposed expenditures of $26,998,729, a saving of $1,256,439 as compared to the 1934 budget and revenues of $27,508,495. Savings were effected without further reduction in salaries of government officials or cuts in supplies and sundries. The budget also included the cost of unusual elections provided for under the Tydings-McDuffie Independence Act.

Chinese Municipality Frowns on Manchu Banners in Parades

The display in marriage and funeral processions of banners and scrolls bearing official titles conferred by the Imperial Court of the Tsing Dynasty will be taxed or banned from September 10, according to a notification recently issued by the Bureau of Public Safety. Before staging a procession in which such banners, scrolls and other instruments typical of the defunct Manchu regime will be exhibited, a permit must be applied for and a certain sum of money paid, the notification states.

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Many a man who wishes to take out life-insurance finds himself compelled to pay penalties in the way of higher premiums because he is not fit. And yet in many such cases this is entirely the result of lack of care where health is concerned. Ills arising from anaemia (blood impoverishment) often become chronic if neglected, and it is only by treatment in the early stages that they can be averted. For the treatment of anaemia there is no better remedy known than Dr. Williams' Pink Pills, which has proved of the greatest benefit to sufferers all over the world during the last fifty years.

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The National City Bank of New York, Rates of Exchange

Shanghai, Sept. 5, 1934

Demand selling rate on America:	U.S.$100=Sh. $ 2.82
Demand buying rate on America:	U.S.$100=Sh. $ 2.79
Demand selling rate on London:	£1.0.0=Sh. $14.12
Demand rate buying on London:	£1.0.0=Sh. $13.96

Latest New York Stock Exchange Quotations

Business Done:- 310,000 Shares

September 5, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCKS	Last Sale Mon. Sept. 1	Last Sale Tue. Sept. 4
4	3	—	Adams Express	7⅝	7⅛
13¾	11¼	0.60	Alaska Juneau	18⅝	18⅝
33	70⅝	6.00	Allied Chemical & Dye	129	130
160	19½	4.00	American Can	97⅝	97
107⅛	5⅞	—	American & Foreign Power	6⅝	6⅝
19⅝	3⅛	—	American Metal Company	18¼	17½
27¼	10⅜	—	American Smelting	37½	37
53½	86½	9.00	American Tel. & Tel.	111¼	111⅜
134⅜	50⅜	5.00	American Tobacco "B"	75⅛	75½
94⅝	10⅞	1.00	American Waterworks	16⅜	16⅜
43¼	5	—	Anaconda Copper	12¼	12¼
22⅞	5⅞	—	Atlas Corporation	9⅛	9¼
18⅝	31	2.00	Auburn Automobiles	23⅜	22½
84⅛	8½	—	Baltimore & Ohio	16⅜	15⅜
37⅝	10¾	—	Bethlehem Steel	29½	29½
49½	18	1.60	Borden Company	25⅝	25⅝
37⅜	5⅛	0.25	Borg Warner	22	21
28½	7½	—	Canadian Pacific Railway	13⅜	13½
20⅞	30½	—	Case, J. I.	40⅜	40
103½	16⅜	1.40	Chase National Bank	24	23¼
47⅞	14⅜	2.50	Chesapeake Corporation	39⅛	39¼
52½	7⅜	1.00	Chrysler Corporation	33¼	33
59	9	0.50	Columbia Gas & Electric	9⅜	9
28⅛	1⅜	—	Commonwealth & Southern	1⅜	1⅜
6½	34¼	3.00	Consolidated Gas of N. Y.	28	27⅜
64⅛	4½	—	Continental Oil	18⅛	18
22½	2⅜	—	Coty Inc.	5⅜	5¼
9	1½	—	Curtiss Wright Company	2⅜	2⅜
5¼	32½	*2.00	Du Pont de Nemours	89½	89½
103⅞	46	3.00	Eastman Kodak	99	98⅛
100⅜	10	—	Electric Bond & Share	11⅛	10⅜
41⅜	3⅛	—	Electric Power & Light	4⅜	4⅛
15⅜	12	—	Fox Film "A"	11⅜	10⅜
19	2⅞	—	General Aviation	3⅜	3½
10⅜	10½	0.40	General Electric	18⅜	18½
80⅛	21	1.50	General Foods	30	30
39⅞	10	*1.00	General Motors	29½	29⅛
42	13¼	1.00	General Railway Signal	26	25⅜
49½	12	1.20	Gold Dust	18	18
27⅜	9¼	—	Goodyear Tire & Rubber	22¼	21⅜
47½	6½	—	International Cement	22	22
40	13⅜	0.60	International Harvester	27	26⅜
46⅛	6⅜	—	International Nickel	25⅛	24⅞
29	5⅛	—	International Tel. & Tel.	10	9⅜
21⅜	21¼	—	Johns Manville	46	46⅜
66⅜	7⅜	—	Kennecott	19⅜	19
26	37½	2.40	Lehman Corporation	68	67½
79⅜	49¼	*4.00	Liggett & Myers "B"	97½	97
99⅜	8½	1.00	Loew's Inc.	27	27
36⅛	10⅜	1.20	Lorillard P. (Com.)	18	17⅜
25⅛	8⅜	—	Montgomery Ward	24	24⅛
35⅜	16⅞	1.00	National City Banks (bid price)	21⅜	20⅞
64⅛	5⅜	—	National Distiller	21⅛	20⅜
41⅜	14	—	New York Central	21⅜	21⅜
53½	12⅜	8⅝S	North American	13⅞	13⅛
36½	31½	2.00	Owens Illionois Glass	65½	68½
96⅜	15	1.00	Pacific Gas & Electric	16	15⅛
31⅞	1⅜	—	Packard Motors	4	3⅞
6⅜	13⅜	0.50	Pennsylvania Railroad	24¼	23⅛
42½	1⅛	—	Pennroad Corporation	2	2
6⅜	4⅜	—	Phillips Petroleum	16⅛	16⅛
20⅜	3	—	Radio Corporation	5⅜	5½
12¼	26½	3.00	Reynolds Tobacco "B"	46	46⅛
54¼	12⅛	—	Sears Roebuck	37⅝	37⅝
51¼	6	1.00	Socony-Vacuum Corporation	14½	14¼
19½	14¼	2.00	Southern California Edison	13¼	13
28	5½	—	Standard Gas & Electric	7⅜	7⅜
22½	22⅜	1.00	Standard Oil Co. of N. J.	44⅛	44¼
50¼	45⅜	3.80	Sterling Products	58⅛	58
61⅜	1½	—	Studebaker	3½	3½
9	10⅜	1.00	Texas Corporation	23⅜	23⅜
30⅛	2⅜	0.12	Transamerica	6	5⅞
9⅜	19⅜	1.00	Union Carbide & Carbon	42	42¼
81⅜	61¼	6.00	UnionPacific	98	97⅞
133⅜	16½	—	United Aircraft & Trans.	14⅛	14⅛
46⅜	4¼	—	United Corporation	4	4
14¼	13⅜	1.20	United Gas Improvement	14⅜	14⅜
25	2⅜	—	U. S. Rubber	16⅜	16¼
25	22⅜	—	U. S. Steel	33	33¼
67½	21½	*2.00	Universal Leaf Tobacco	Unq.	21⅜ ?
51½	19⅜	—	Vanadium	17⅜	18
31⅜	25¼	—	Warner Bros. Pictures	4½	4¼
9¼	7¼	—	Westinghouse E. & M.	33	33½
58⅜	23⅜	2.40	Woolworth	48½	48
			PREFERRED STOCKS AND BONDS		
54⅜	35	none	American & Foreign Power 7% Pfd.	17	15½
44⅞	25	5.00	Amer. & For. Power 5% debs. of 2030	50	50
59½	25	6.00	American Waterworks $6 preferred	60	65
80	18	5.50	Cities Service Power & Light 5½s/52	41⅛	41
48½	34	6.00	Electric Bond & Share $6 preferred	43½	43⅜
66	35	4.50	Int. Tel. & Tel. conv. 4½s of 1939	62½	62
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